Pages 7707–7777

FEDERAL REGISTER

VOLUME 25 NUMBER 158

Washington, Saturday, August 13, 1960

Contents

(Continued on next page)

Codification Guide

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, appears at the end of each issue beginning with the second issue of the month.

Monthly, quarterly, and annual cumulative guides, published separately from the daily issues, include the section numbers as well as the part numbers affected.

FEDERAL REGISTER

Telephone WOrth 3-3261

Published daily, except Sundays, Mondays, and days following official Federal holidays, by the Office of the Federal Register, National Archives and Records Service, General Services Administration, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U.S.C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President. Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $1.50 per month or $15.00 per year, payable in advance. The charge for individual copies (minimum 15 cents) varies in proportion to the size of the issue. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington 25, D.C.

The regulatory material appearing herein is keyed to the CODE OF FEDERAL REGULATIONS, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended August 5, 1953. The CODE OF FEDERAL REGULATIONS is sold by the Superintendent of Documents. Prices of books and pocket supplements vary.

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10883

TERMINATION OF THE AIR COORDINATING COMMITTEE

By virtue of the authority vested in me as President of the United States, it is ordered as follows:

1. The Air Coordinating Committee is hereby terminated.

2. Executive Order No. 10655 of January 28, 1956, relating to the Air Coordinating Committee, and Executive Order No. 10796 of December 24, 1958, amending that order, are hereby revoked.

3. The Administrator of the Federal Aviation Agency shall make such provisions as may be necessary for winding up any outstanding affairs of the Air Coordinating Committee, and such provisions may be made at any time after the date of this order.

4. Except as provided in paragraph 3, this order shall become effective on the sixtieth day following the date thereof.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
August 11, 1960.

[F.R. Doc. 60-7648; Filed, Aug. 11, 1960; 4:41 p.m.]

Memorandum of August 11, 1960

[INTERAGENCY COORDINATION OF AVIATION MATTERS]

Memorandum for The Secretary of State, The Secretary of Defense, The Secretary of the Treasury, The Postmaster General, The Secretary of Commerce, The Administrator of the Federal Aviation Agency, The Chairman of the Civil Aeronautics Board, The Chairman of the Federal Communications Commission, The Director of the Bureau of the Budget, The Director of the Office of Civil and Defense Mobilization

I have today issued an Executive Order terminating the Air Coordinating Committee as of the sixtieth day after today.

Since its inception in 1946, the Air Coordinating Committee has made a significant contribution to the development and coordination of aviation policies and activities of Federal agencies. I wish to thank the members of the Committee, and all who have assisted the Committee, for their services.

It has become evident that a committee established by Presidential Executive Order and concerned with the coordination of both international and domestic aviation matters is no longer needed. In major part, this has resulted from the enactment of the Federal Aviation Act of 1958 which vested enlarged coordination responsibilities in the Administrator of the Federal Aviation Agency and also provided expressly for certain types of interagency coordination.

It is recognized, however, that suitable substitute methods of interagency coordination of aviation matters will be needed in the future. Any interagency arrangements needed for such coordination can be effected without relying on a Presidentially established committee. Accordingly, it is directed that the Administrator of the Federal Aviation Agency shall initiate such arrangements as may be appropriate to effect the needed interagency coordination and to meet the related requirements of the agencies concerned. The responsibilities of the Administrator for establishing such coordination arrangements pursuant to this memorandum will pertain primarily to matters in which agreement of two or more agencies is necessary by reason of either law or practical considerations; in other matters the agency having responsibility should adopt such means of obtaining the advice of and informing other agencies as may be appropriate.

In carrying out the responsibilities assigned to him by this memorandum the Administrator of the Federal Aviation Agency may, subject to law, cause to be established any committees, councils, working groups and liaison arrangements which he deems to be necessary or desirable. Participation in the activities of any such committee or other similar body should be limited to agencies having a substantial interest in subjects under consideration. Any secretariat services required in connection with any such committee or other body should be supplied by the Federal Aviation Agency except as other arrangements may be agreed to by the Administrator of the Federal Aviation Agency and the participating agencies.

The need for formalized interagency coordination, and therefore the need for coordination facilities provided upon the initiative of the Administrator of the Federal Aviation Agency, may be expected to be greatest in the international field. Without limiting the foregoing portions of this memorandum, I suggest that the Administrator of the Federal Aviation Agency cause to be established a new interagency group for the purpose of developing recommendations to the Secretary of State. The group should have only a small continuing membership, including, but not necessarily limited to, a representative of the Federal Aviation Agency, as chairman of the group, and representatives of the Department of State, the Department of Defense, the Department of Commerce and the Civil Aeronautics Board. Any other appropriate agency should participate in the activities of the new group when matters of substantial concern to the agency are under consideration. Any secretariat services for the group should be supplied by the Federal Aviation Agency except as other arrangements may be agreed upon by the Administrator of that Agency and the participating agencies.

The Secretary of State will continue to provide foreign policy guidance to the agencies concerned, to conduct all negotiations with foreign governments, and to appoint and instruct United States delegations to international conferences in this field.

In setting forth in this memorandum certain guidelines respecting arrangements for interagency coordination in the aviation field, it is not my intention to preclude the use of other or additional inter-agency arrangements permitted by law, with respect to that field.

This memorandum shall be published in the FEDERAL REGISTER.

DWIGHT D. EISENHOWER

[F.R. Doc. 60-7649; Filed, Aug. 11, 1960; 4:41 p.m.]

Rules and Regulations

Title 7—AGRICULTURE

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Valencia Orange Reg. 210]

PART 922—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 922.510 Valencia Orange Regulation 210.

(a) *Findings.* (1) Pursuant to the marketing agreement and Order No. 22, as amended (7 CFR Part 922), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said marketing agreement and order, as amended, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges as hereinafter provided will tend to effectuate the declared policy of the act by tending to establish and maintain such orderly marketing conditions for such oranges as will provide, in the interests of producers and consumers, an orderly flow of the supply thereof to market throughout the normal marketing season to avoid unreasonable fluctuations in supplies and prices, and is not for the purpose of maintaining prices to farmers above the level which it is declared to be the policy of Congress to establish under the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was was held on August 11, 1960.

(b) *Order.* (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a.m., P.s.t., August 14, 1960, and ending at 12:01 a.m., P.s.t., August 21, 1960, are hereby fixed as follows:

(i) District 1: Unlimited movement;

(ii) District 2: 550,000 cartons;

(iii) District 3: Unlimited movement.

(2) As used in this section, "handled," "handler," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in said marketing agreement and order, as amended.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: August 12, 1960.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60–7662; Filed, Aug. 12, 1960; 11:16 a.m.]

[Peach Order 1, Amdt. 3]

PART 934—FRESH PEACHES GROWN IN DESIGNATED COUNTIES IN WASHINGTON

Limitation of Shipments

(a) *Findings.* 1. Pursuant to the marketing agreement, and Order No. 34 (7 CFR Part 934), regulating the handling of fresh peaches grown in designated counties in Washington, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the Washington Fresh Peach Marketing Committee, established under the aforesaid marketing agreement and order, and upon other available information, it is hereby found that limitation of shipments of fresh peaches, in the manner herein provided, will tend to effectuate the declared policy of the act.

2. It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient; and this amendment relieves restriction on the handling of fresh peaches grown in Washington.

(b) It is, therefore, ordered as follows: The provisions in paragraph (b) (4) of § 934.301 (Peach Order 1; 25 F.R. 6260; 7238; 7428) are hereby amended to read as follows:

(4) *Pack requirements.* Such peaches in loose or jumble packs shall be in wooden containers of a capacity equal to or greater than that of the Western lugs (boxes with inside dimensions of 7 inches by 11½ inches by 18 inches) and shall contain not less than 26 pounds net weight of peaches: *Provided,* That containers of peaches having less than 26 pounds net weight of peaches may be handled if such containers are well filled. The term "well filled" shall have the same meaning as when used in the United States Standards for peaches (7 CFR 51.1210–51.1223).

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated August 9, 1960, to be effective on and after 12:01 a.m., P.s.t., August 10, 1960.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60–7579; Filed, Aug. 12, 1960; 8:48 a.m.]

[Lemon Reg. 859]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 953.966 Lemon Regulation 859.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 23 F.R. 9053), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other

available information, it is hereby found that the limitation of handling of such lemons as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (60 Stat. 237; 5 U.S.C. 1001 et seq.) because the time intervening between the date when information upon which this section is based become available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on August 9, 1960.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period beginning at 12:01 a.m., P.s.t., August 14, 1960, and ending at 12:01 a.m., P.s.t., August 21, 1960, are hereby fixed as follows:

(i) District 1: Unlimited movement;

(ii) District 2: 325,500 cartons;

(iii) District 3: Unlimited movement.

(2) As used in this section, "handled," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in the said amended marketing agreement and order.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: August 11, 1960.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60–7632; Filed, Aug. 12, 1960; 8:59 a.m.]

[Avocado Order 20, Amdt. 1]

PART 969—AVOCADOS GROWN IN SOUTH FLORIDA

Limitation of Shipments

(a) *Findings.* 1. Pursuant to the marketing agreement, as amended, and Order No. 69, as amended (7 CFR Part 969), regulating the handling of avocados grown in south Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the Avocado Administrative Committee, established under the aforesaid marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of avocados, as hereinafter provided, will tend to effectuate the declared policy of the act.

2. It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) in that, as hereinafter set forth, the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than the date hereinafter set forth. A reasonable determination as to the time of maturity of avocados must await the development of the crop thereof, and adequate information thereon was not available to the Avocado Administrative Committee until August 9, 1960; a determination as to the time of maturity of the variety of avocados covered by this amendment was made at the meeting of said committee on August 9, 1960, after consideration of all available information relative to such maturity and growing conditions prevailing during the current season for such avocados, at which time the recommendations and supporting information for such maturity regulation were submitted to the Department; such meeting was held to consider recommendation for such regulation after giving due notice thereof, and interested parties were afforded an opportunity to submit their views at this meeting; the provisions of this regulation are identical with the aforesaid recommendations of the committee and information concerning such provisions has been disseminated among the handlers of avocados; and compliance with the provisions of this regulation will not require of handlers any preparation therefor which cannot be completed by the effective time hereof.

(b) *It is, therefore, ordered* that the provisions of paragraph (b)(2) of § 969.320 (25 F.R. 5476), are hereby amended by revising the dates appearing in columns (2), (4), and (6) of Table I, applicable to the Waldin variety of avocados, so that after such revision the portion of such table applicable to such variety shall read as follows:

Variety	Date	Minimum weight or diameter	Date	Minimum weight or diameter	Date	Minimum weight or diameter	Date
(1)	(2)	(3)	(4)	(5)	(6)M	(7)	(8)
Waldin	8–15–60	16 oz. 3 9/16 in.	8–29–60	14 oz. 3 9/16 in.	9–19–60		

(c) The provisions of this amendment shall become effective at 12:01 a.m., e.s.t., August 15, 1960.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: August 10, 1960.

S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60–7601; Filed, Aug. 12, 1960; 8:49 a.m.]

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 29—RETIREMENT

Exclusions From Retirement Coverage

Effective upon date of publication in the FEDERAL REGISTER, paragraph (c) is added to § 29.2 as set out below.

§ 29.2 Exclusions from retirement coverage.

* * * * *

(c) Members of the following boards and commissions of the District of Columbia government hereafter appointed are excluded from the Civil Service Retirement Act, except that this exclusion does not operate in the case of a present member reappointed upon expiration of term without a break in service or after a separation from service of three days or less:

Board of Accountancy.
Board of Examiners and Registrars of Architects.
Board of Barber Examiners.
Boxing Commission.
Board of Cosmetology.
Board of Dental Examiners.
Electrical Board.
Commission on Licensure to Practice the Healing Arts.
Board of Examiners in the Basic Sciences.

Board of Examiners in Medicine and Osteopathy.
Motion Picture Operators' Board.
Nurses' Examining Board.
Board of Optometry.
Board of Pharmacy.
Plumbing Board.
Board of Podiatry Examiners.
Board of Registration for Professional Engineers.
Real Estate Commission.
Refrigeration and Air Conditioning Board.
Steam and Other Operating Engineers' Board.
Undertakers' Committee.
Board of Examiners of Veterinarian Medicine.

(Sec. 16, 70 Stat. 758; 5 U.S.C. 2266)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 60-7530; Filed, Aug. 12, 1960; 8:45 a.m.]

Title 6—AGRICULTURAL CREDIT

Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture

[Amdt. 4]

SUBCHAPTER C—EXPORT PROGRAM

PART 481—RICE

Subpart—Rice Export Program Payment-in-Kind (GR-369)

MISCELLANEOUS AMENDMENTS

The Terms and Conditions of the Rice Export Program—Payment-in-Kind (GR-369) (23 F.R. 9656), as amended (24 F.R. 4647), (24 F.R. 7807) and (25 F.R. 3835) are, with regard to any contract resulting from CCC's acceptance of an exporter's offer to export rice (milled, or brown, or both) which is submitted by such exporter on and after the date of publication of this Amendment 4 in the FEDERAL REGISTER, further amended as follows:

Section 481.105(a) is amended by changing the period to export rice from 90 to 120 days, so that the amended subsection shall read as follows:

(a) Persons desiring to participate in this program shall submit offers as provided in § 481.106 to export rice (milled, or brown, or both) during a period of 120 days following acceptance of the offer by CCC at the export payment rates applicable to the rice exported, determined in accordance with § 481.110, in effect on the date the offer is accepted.

Section 481.108(a) is amended by changing the export period from 90 to 120 days in the first paragraph so that the amended paragraph shall read as follows:

(a) The exporter shall export or cause exportation within a 120-day period beginning on the date of CCC's acceptance of the exporter's offer or within any extension thereof approved in writing by the Vice President, CCC, of milled rice or brown rice to an eligible country in accordance with his contract with CCC. If an extension of the 120-day export period is approved, it may be made subject to such reduction in the export payment rate as may be specified by the Vice President, CCC.

Section 481.108(b) is amended by changing "120 calendar days" to "150 calendar days" in the second sentence, so that the amended sentence shall read as follows: "The exporter shall promptly furnish to CCC evidence of exportation as specified in § 481.116. Failure to furnish evidence of exportation within 150 calendar days from the date of CCC's acceptance of the exporter's offer or within 30 calendar days from the last date of any extension in time for exportation approved by the Vice President, CCC, pursuant to paragraph (a) of this section, whichever is later, shall constitute prima facie evidence of failure to export."

Section 481.108(c) is amended by changing "90 calendar days" to "120 calendar days" in the second sentence of the second paragraph, so that the amended sentence shall read as follows: "For the purposes of assessing liquidated damages, an exportation which has not been made within a period of 120 calendar days beginning on the date of CCC's acceptance of the exporter's offer or which has not been made by the last day of any extension in time for exportation approved in writing by the Vice President, CCC, whichever date is the later, shall be deemed not to have been made at all."

Section 481.110 is amended by changing "90-day periods" to "120-day periods" in two places in the second sentence of paragraph (b) and by changing "90-day period" to "120-day period" in two places in the third sentence of paragraph (b), so that the amended sentence shall read as follows: "Rates will be established for whole kernel milled rice of each class or variety and for the classes second heads, screenings and brewers milled rice. During 120-day periods each year, ending August 15 for varieties of rice produced in the Southern producing area and ending September 30 for varieties of rice produced in California, two subsidy rates will be in effect for rice of each class or variety and will be applicable to rice exported under contracts resulting from CCC's acceptance during such 120-day periods of offers to export rice under this program. As specified in the rate schedules, one rate established for each class or variety will apply to rice exported before the end of the 120-day period applicable to the class or variety exported and the second rate will apply to rice exported after the end of such 120-day period."

(Sec. 5, 62 Stat. 1072; U.S.C. 714c. Interpret or apply sec. 407, 63 Stat. 1055, as amended; sec. 201(a), 70 Stat. 198; 7 U.S.C. 1427, 1851)

Issued this 9th day of August 1960.

WALTER C. BERGER,
Executive Vice President, Commodity Credit Corporation.

[F.R. Doc. 60-7602; Filed, Aug. 12, 1960; 8:49 a.m.]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. D]

PART 204—RESERVES OF MEMBER BANKS

Reserve Percentages; Counting of Currency and Coin

1. Effective as to member banks not in reserve and central reserve cities at opening of business on August 25, 1960, and as to member banks in reserve and central reserve cities at opening of business on September 1, 1960, § 204.5 [Supplement to Regulation D] is amended to read as follows:

§ 204.5 Supplement.

(a) *Reserve percentages.* Pursuant to the provisions of section 19 of the Federal Reserve Act and § 204.2(a), but subject to paragraph (b) of this section, the Board of Governors of the Federal Reserve System hereby prescribes the following reserve balances which each member bank of the Federal Reserve System is required to maintain on deposit with the Federal Reserve Bank of its district:

(1) If not in a reserve or central reserve city:

(i) 5 percent of its time deposits, plus

(ii) 11 percent of its net demand deposits.

(2) If in a reserve city (except as to any bank located in such a city which is permitted by the Board of Governors of the Federal Reserve System, pursuant to § 204.2(a)(2), to maintain the reserves specified in subparagraph (1) of this paragraph):

(i) 5 percent of its time deposits, plus

(ii) 16½ percent of its net demand deposits.

(3) If in a central reserve city (except as to any bank located in such a city which is permitted by the Board of Governors of the Federal Reserve System, pursuant to § 204.2(a)(2), to maintain the reserves specified in subparagraph (1) or (2) of this paragraph):

(i) 5 percent of its time deposits, plus

(ii) 17½ percent of its net demand deposits.

(b) *Counting of currency and coin.* In partial compliance with the reserve requirements of paragraph (a) of this section, the amount of a member bank's currency and coin shall be counted to the extent that it exceeds 1 percent of the bank's net demand deposits in the case of a bank subject to the requirements for banks located in central reserve and reserve cities, and to the extent that it exceeds 2½ percent of the bank's net demand deposits in the case of a bank subject to the reserve requirements for banks not located in central reserve and reserve cities.

2. a. The purposes of these amendments are to permit member banks in central reserve cities to carry lower reserves against net demand deposits, and to permit all member banks to count a larger portion of their currency and coin

in partial compliance with their reserve requirements.

b. The notice and public procedure described in sections 4(a) and 4(b) of the Administrative Procedure Act and the prior publication described in section 4(c) of such act are not followed in connection with these amendments for the reasons and good cause found as stated in § 262.2(e) of the Board's rules of procedure (Part 262) and especially because in connection with these amendments such procedures are unnecessary because they would not aid the persons affected and would serve no other useful purpose.

(Section 11, 38 Stat. 261, as amended; 12 U.S.C. 248. Interprets or applies sec. 19, 38 Stat. 270, as amended, sec. 19, 48 Stat. 54, as amended; 12 U.S.C. 461, 462, 462b, 464, 465; Public law 86-114, July 28, 1959)

[SEAL] KENNETH A. KENYON,
Assistant Secretary.

[F.R. Doc. 60-7560; Filed, Aug. 12, 1960; 8:46 a.m.]

Chapter V—Federal Home Loan Bank Board

SUBCHAPTER B—FEDERAL HOME LOAN BANK SYSTEM

[No. 13733]

PART 523—MEMBERS OF BANKS

Holdings of Cash and Obligations of the United States

AUGUST 8, 1960.

Resolved that, notice and public procedure having been duly afforded (25 F.R. 2676) and all relevant matter presented or available having been considered by it, the Federal Home Loan Bank Board, upon the basis of consideration by it of said matter and of the advisability of amendment of § 523.12 of the regulations for the Federal Home Loan Bank System (12 CFR 523.12) so as to increase the minimum amounts of cash and obligations of the United States of members of the Federal Home Loan Banks as set forth in said section, and for the purpose of effecting such increase as hereinafter set forth, hereby amends said § 523.12 as follows, effective September 13, 1960:

So much of § 523.12 aforesaid as precedes paragraph lettered (a) of said section is hereby amended to read as follows:

§ 523.12 Holdings of cash and obligations of the United States by members.

No member insurance company shall make or purchase any loan, other than loans on the company's insurance policies, at any time when the aggregate of its cash and obligations of the United States is not at least equal to 6 percent of its policy reserve required by state law, and no other member shall make or purchase any loan, other than advances on the sole security of its withdrawable accounts, at any time when its cash and obligations of the United States are not at least equal to 6 percent of the obligation of the member on withdrawable accounts: *Provided,* That on and after March 1, 1961, the foregoing figures of 6 percent shall be 7 percent. For the purposes of this section:

(Secs. 5A, 17, 47 Stat. 727, 736, as amended; 12 U.S.C. 1425a, 1437. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR 1947 Supp.)

By the Federal Home Loan Bank Board.

[SEAL] HARRY W. CAULSEN,
Secretary.

[F.R. Doc. 60-7582; Filed, Aug. 12, 1960; 8:48 a.m.]

SUBCHAPTER C—FEDERAL SAVINGS AND LOAN SYSTEM

[No. 13734]

PART 545—OPERATIONS

Holdings of Cash and Obligations of the United States

AUGUST 8, 1960.

Resolved that, notice and public procedure having been duly afforded (25 F.R. 2676) and all relevant matter presented or available having been considered by it, the Federal Home Loan Bank Board, upon the basis of consideration by it of said matter and of the advisability of amendment of § 545.8-2 of the rules and regulations for the Federal Savings and Loan System (12 CFR 545.8-2) so as to increase the minimum amounts of cash and obligations of the United States of Federal savings and loan associations as set forth in said section, and for the purpose of effecting such increase as hereinafter set forth, hereby amends said § 545.8-2 as follows, effective September 13, 1960:

So much of § 545.8-2 aforesaid as precedes paragraph lettered (a) of said section is hereby amended to read as follows:

§ 545.8-2 Cash and Government obligations.

A Federal association shall not make or purchase any loan, other than advances on the sole security of its savings accounts, at any time when its cash and obligations of the United States are not at least equal to 6 percent of the association's capital: *Provided,* That on and after March 1, 1961, the foregoing figure of 6 percent shall be 7 percent. For the purposes of this section:

(Sec. 5, 48 Stat. 132, as amended; 12 U.S.C. 1464. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR 1947 Supp.)

By the Federal Home Loan Bank Board.

[SEAL] HARRY W. CAULSEN,
Secretary.

[F.R. Doc. 60-7531; Filed, Aug. 12, 1960; 8:47 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

[Reg. Docket No. 476; Reg. No. SR-441]

PART 20—PILOT AND INSTRUCTOR CERTIFICATES

Issuance of Limited Flight Instructor Certificates to Civilian Flight Instructors Employed at U.S. Air Force Contract Primary Flight Schools; Special Civil Air Regulation

Part 20 of the Civil Air Regulations prescribes the requirements applicable to the issuance of flight instructor certificates. An applicant for original flight instructing privileges must first obtain a limited flight instructor certificate but after one year is eligible for the flight instructor certificate, provided he has trained at least 5 successful candidates for pilot certificates. In order to obtain the limited flight instructor certificate, an applicant is required to demonstrate in each category of aircraft in which he desires to give flight instruction his ability to teach the performance of such maneuvers and procedures as are necessary and appropriate for the safe piloting of that category of aircraft; and he must show that he is familiar with effective flight instruction methods and procedures as set forth in the FAA Flight Instructor's Handbook. These requirements are met by giving the applicant a written examination on (1) "fundamentals of flight instruction" and (2) "performance and analysis of flight training maneuvers," and a practical test consisting of a flight test and an oral examination.

For the past 9 years the U.S. Air Force has used a primary flight training program for its cadets established by contract arrangements with civilian owned and operated flight training schools. Such schools employ civilians as flight instructors who are required to hold at least a commercial pilot certificate. An FAA flight instructor certificate is not a requisite for such instruction.

Before qualifying as a flight instructor, each pilot is given intensive ground and flight training. Also, the instructors and students are under constant surveillance by both civilian and military supervisory flight personnel. These requirements have been found to produce a high degree of proficiency in flight instruction. Each civilian instructor is assigned 4 students of which a minimum of 3 usually complete the 6-month course. During this period each student receives a total of 132 flying hours resulting in each instructor accumulating at least 200 hours of instruction time each 6 months. Most of the instructors have been employed at the schools for several years and have a vast amount of instruction time and experience and are well qualified in this respect.

The 5 civilian schools utilized by the Air Force for giving primary flight train-

ing are to be closed by December 1960. Of the approximately 575 pilots employed as flight instructors at the 5 schools, many do not hold an FAA flight instructor certificate. It is anticipated that most of these pilots will apply for the limited flight instructor certificate.

In view of the qualifications of these pilots and the experience gained by instructing in a well supervised flight training program, no useful purpose would be served in requiring them to further demonstrate their ability and show that they are familiar with effective flight instruction methods. Some of them may have little experience with the Civil Air Regulations and procedures applicable to student pilots and should, therefore, show that they are familiar with the responsibilities of an FAA certificated flight instructor in this respect.

Accordingly, this Special Civil Air Regulation is issued to permit such pilots to be certificated as limited flight instructors without compliance with the practical test and written examination required by § 20.130 (b) and (c), provided they pass an FAA written examination on the Civil Air Regulations pertaining to the certification, privileges, limitations, and responsibilities of flight instructors.

Since this special regulation grants relief and imposes no additional burden on any person, notice and public procedure hereon are unnecessary, and good cause exists for making it effective in less than 30 days.

In consideration of the foregoing, the following Special Civil Air Regulation is hereby adopted, to become effective August 15, 1960.

1. Contrary provisions of § 20.130 (b) and (c) of the Civil Air Regulations notwithstanding, an applicant who is, or has been within the preceding 12 months, a civilian flight instructor employed at a U.S. Air Force Contract Primary Flight School and has served in such capacity for a period of at least 6 months shall be deemed to have met the requirements of § 20.230 (b) and (c) for airplane ratings: *Provided*, That the applicant presents satisfactory evidence of such employment and passes an FAA written examination on the Civil Air Regulations pertaining to the certification, privileges, limitations, and responsibilities of flight instructors.

2. This Special Civil Air Regulation shall terminate on August 15, 1961, unless sooner superseded or rescinded.

(Sec. 313(a), 601, 602, 72 Stat. 752, 775, 776; 49 U.S.C. 1354, 1421, 1422)

Issued in Washington, D.C., on August 9, 1960.

JAMES. T. PYLE,
Acting Administrator.

[F.R. Doc. 60-7557; Filed, Aug. 12, 1960; 8:45 a.m.]

Chapter III—Federal Aviation Agency

SUBCHAPTER C—AIRCRAFT REGULATIONS

[Reg. Docket No. 284]

PART 501—REGISTRATION OF AIRCRAFT

Notice was given on February 26, 1960, (25 F.R. 1690) that the Federal Aviation Agency proposed to amend Part 501 of the regulations of the Administrator, to make editorial changes, minor clarifications and changes reflecting the enactment of the Federal Aviation Act of 1958. Only two changes of all those provided for in the notice of proposed rule making received comment.

1. Section 501.4(a)(3)(iii) provides for the retention of 1 to 3 digit, or 1 to 2 digit (followed by a letter) registration members for use on government aircraft. Many of the comments expressed fear of forfeiture of such numbers by those persons to whom they are assigned at present. Recognizing the expense that many have gone through to acquire such members, provisions have been inserted in the above section allowing persons already assigned these low numbers to keep them or to transfer them to another aircraft. Numbers that hereafter become available in the above groupings will, however, be reserved for government use. Although there were objections to the reservation by the government of numbers referred to above, it has been determined after weighing those objections, that it is in the interest of the government, overseas, as well as in the United States to have its aircraft so marked that they will be easily distinguishable from privately-owned aircraft.

2. The other change that received substantial comment was that in § 501.9 calling for display at all times of the registration certificate at the cockpit or cabin entrance. Although some noted that a problem of placement would be presented due to the fact that the Airworthiness Certificate must also be displayed, it was concluded after due deliberation that the problems of placement are small compared to the desirability of having the certificate in public view. Especially is this true when it is realized that the registration certificate is only 5½" x 4" and the Airworthiness Certificate is smaller.

Certain other material, explaining and carrying out certain international obligations, is provided, as well as other editorial and technical changes. Among the latter is the note to § 501.4(a)(3)(i) reflecting this Agency's residual power to review reservations of registration numbers for purpose of cancellation. All other changes are those reflected in the notice of proposed rule making.

In consideration of the foregoing, Part 501 of the regulations of the Administrator is hereby amended and is as follows:

Sec.

AUTHORITY: §§ 501.1 to 501.12 issued under secs. 313(a), 501, 1102, of the Federal Aviation Act of 1958, 72 Stat. 752, 771, 797; 49 U.S.C. 1354(a), 1401, 1502.

§ 501.1 Basis and purpose.

The basis for this part is found in sections 313, 501, and 1102 of the Federal Aviation Act of 1958. The purpose of this part is to prescribe the regulations under which persons may register aircraft in accordance with the requirements of section 501 of the Federal Aviation Act of 1958.[1]

§ 501.2 Scope.

Except as provided in Part 502 of this chapter with respect to Dealers' Aircraft Registration Certificates, the requirements for aircraft certificates of registration shall be as prescribed in this part.

§ 501.3 Application.

(a) *Form.* Application for the registration of an aircraft shall be made upon the Form FAA-500, Part B, furnished by the Administrator of the Federal Aviation Agency. The Form FAA-500 contains three parts: Part A, "Certificate of Registration"; Part B, "Application for Registration"; and Part C, "Bill of Sale." An applicant for a certificate of registration shall submit to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma, the following:

(1) An original and a duplicate of Part A;

(2) The original of Part B, signed in ink;

(3) The original of Part C[2] or another bill of sale or other form of conveyance specified in § 501.4(b)(2), signed in ink and acknowledged;

(4) A registration fee of $4.00 in the form of a check or money order made payable to the Federal Aviation Agency. The name of the purchaser shall be identical on Parts A, B, and C. If a contract of conditional sale is submitted, an additional fee of $4.00 shall be enclosed to record it. The applicant shall retain the duplicate of Part B in the aircraft as a temporary registration pending receipt of the certificate of registration, Part A of Form FAA-500, and in the event a later notification from the Federal Aviation Agency authorizes continued operation of the aircraft pending receipt of such certificate of registration, the applicant shall also retain such notification in the aircraft.

§ 501.4 Issuance of certificate of registration.

(a) *New or previously unregistered aircraft.*—(1) *Application.* A certificate of registration will be issued by the Administrator of Federal Aviation Agency for aircraft owned by citizens of the United States[3] and not previously registered under the provisions of the Federal Aviation Act of 1958, if the applicant:

(i) Mails or delivers a duly executed application for registration, accompanied by the $4.00 registration fee, to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma; and

(ii) Submits with the application proof satisfactory to the Administrator of the Federal Aviation Agency that the applicant is the owner of such aircraft.

See footnotes at end of document.

(2) *Proof of ownership.* An aircraft will be registered only in the name of the owner. The applicant for registration of a new or a previously unregistered aircraft shall submit proof of his ownership. Part C of Form FAA–500, or its equivalent, may be used for this purpose. The owner of home-built aircraft or of an aircraft assembled from parts shall submit his affidavit setting forth that the aircraft was built from parts and that the affiant is the owner of all right, title, and interest therein.

(3) *Identification.* (i) Aircraft manufacturers and applicants for registration of aircraft which have not previously been assigned registration numbers shall obtain such numbers from the nearest Federal Aviation Agency inspector in the field, except that aircraft manufacturers may apply directly to the Aircraft and Airman Records Branch, Oklahoma City, Oklahoma, for a series of consecutive numbers consisting of five digits or four digits followed by one letter. There are no fees for such numbers. If aircraft manufacturers request numbers other than a consecutive series consisting of five digits or four digits followed by one letter, such request should be accompanied by the required fee of $10.00 for each such special number requested.

NOTE: The Federal Aviation Agency reserves the right to review the necessity for continuing any unused reserved registration numbers after a reasonable period of time, and to cancel such reservation if such is deemed unnecessary.

In addition to the prefix "N", an aircraft identification number will not exceed five symbols, which may consist of 1 to 5 digits, or 1 to 4 digits followed by 1 letter or 1 to 3 digits followed by 2 letters, except that once a number followed by a specific letter has been assigned to an aircraft, that specific number and letter may not be assigned concurrently to another aircraft even with the addition of a further suffix letter; for example, if number N100A is assigned, then such number even with an addition of a further suffix, i.e., "N100AB," may not be concurrently assigned.

NOTE: Upon request, permission without charge will be given for the addition of a second suffix letter to an assigned 1 to 3 digit number followed by a letter.

(ii) If the owner of an aircraft desires the assignment of a number not available from the Federal Aviation Agency inspector, or if the owner desires to change the registration number originally assigned to the aircraft, he shall apply directly to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma, and accompany his request with a check or money order made payable to the Federal Aviation Agency in the amount of $10.00 for the special number requested. All unassigned registration numbers consisting of 1 to 3 digits, and of 1 or 2 digits followed by a letter are reserved for use on Government owned aircraft, and on aircraft which will not accommodate a larger number. Any application for a 1 to 3 digit number, or a 1 or 2 digit number followed by a letter, for other than a Government owned aircraft, must be accompanied by a statement from a Federal Aviation Agency inspector verifying the fact that the aircraft will not accommodate a number of more than three symbols. The owner of an aircraft to which a 1 to 3 digit number, or a 1 or 2 digit number followed by a letter, had been assigned prior to the effective date of this regulation will not be required to surrender such number, and may, prior to his sale of the aircraft, request the Federal Aviation Agency, Aircraft and Airman Records Branch, to reassign such number to another aircraft or reserve such number for a stated reasonable time pending his acquisition of another aircraft; *Provided,* That prior to the sale of his aircraft the owner also applies to the Federal Aviation Agency, Aircraft and Airman Records Branch, and obtains a new registration number for the aircraft being sold. Such requests should be accompanied by the required fees ($10.00 for the assignment of a new registration number to the currently owned aircraft, and $10.00 for the reassignment or reservation of the 1 to 3 digit number, or 1 or 2 digit number followed by a letter, to the aircraft being acquired).

(b) *Previously registered aircraft.*— (1) *Application.* A certificate of registration will be issued by the Administrator of the Federal Aviation Agency for aircraft previously registered under federal law, if:

(i) The applicant submits a duly executed application for registration to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma, accompanied by the registration fee of $4.00;

(ii) The applicant submits with the application for registration a conveyance which meets the requirements prescribed in Part 503 of this chapter and evidences the applicant's ownership of the aircraft; and

(iii) The conveyance submitted with the above application establishes, within the recordation system of the Administrator of Federal Aviation Agency, ownership to the aircraft in the applicant: *Provided,* That this requirement shall not be applicable to contracts of conditional sale, in which the seller is the legal owner of the aircraft, if the purchaser is granted the right of possession; and *Provided further,* That if for good reason an applicant for registration cannot comply with the provisions of subdivision (ii) of this subparagraph and this subdivision as specified in subparagraph (2) of this paragraph, title evidence satisfactory to the Administrator of the Federal Aviation Agency shall be submitted.[4]

(2) *Proof of ownership.* (i) If the applicant for registration purchased the aircraft from the last registered owner, he shall submit a conveyance executed by such person to him. If the applicant did not purchase the aircraft from the last registered owner, he shall submit documents acceptable to the Administrator showing consecutive transactions from the last registered owner, through all intervening owners, and thence to him. Part C of Form FAA–500 is a bill of sale which may be completed by the seller. Its use is not compulsory and any equivalent bill of sale is acceptable as proof of ownership provided it is acceptable for recording under the requirements outlined in § 503.1 of this chapter.

(ii) The purchaser of an aircraft under a contract of conditional sale who has possession of the aircraft is considered the owner for the purpose of registration and shall submit the contract of conditional sale as proof of ownership when applying for registration.[5] The contract of conditional sale shall meet the applicable requirements of Part 503 of this chapter. Where an equitable interest under a contract of conditional sale has been assigned, the assignee is the owner for the purpose of registration and shall submit the original contract of conditional sale (unless it has already been recorded with the Federal Aviation Agency), and an assignment from the original conditional purchaser to the applicant for registration. This assignment shall meet the applicable requirements of Part 503 of this chapter and there shall also be affixed the signature of the holder (conditional seller or his assignee) of the contract of conditional sale to show assent to the assignment of the equitable interest.

(iii) If an applicant for registration obtained the aircraft through repossession and/or foreclosure proceedings, he shall submit as evidence of his ownership:

(*a*) A certificate of repossession on Form FAA–909 or its equivalent, executed by the person legally entitled to repossess, stating that the aircraft has been repossessed or otherwise seized pursuant to the terms of the financing agreement involved and the pertinent local laws.

(*b*) The original or a certified true copy of the financing agreement under which the aircraft was repossessed, unless such financing agreement has been previously recorded by the Federal Aviation Agency.

(*c*) If the repossession was through foreclosure proceedings, then in addition to the foregoing, a bill of sale which meets the applicable requirements of Part 503 of this chapter, executed by the officer, sheriff, auctioneer, or other person responsible for the conduct of such sale.

(iv) Where the applicant for registration purchased the aircarft at a judicial sale or a sale to satisfy a lien, he shall submit as proof of his ownership a bill of sale from the officer, sheriff, auctioneer, or other person responsible for the conduct of such sale, which document shall state that the sale was conducted in accordance with the pertinent local laws.

(v) In any case where the title to an aircraft has been in controversy and ownership has been determined by a court, the applicant for registration shall submit a properly certified order of the court.

(vi) If the applicant for registration is the administrator or executor of the estate of the deceased former owner, he shall submit with application for registration a certified copy of the letters of administration or letters testamentary

See footnotes at end of document.

appointing the applicant administrator or executor. If the aircraft is sold to another party, the applicant for registration shall submit a bill of sale executed for the estate by the administrator or executor, together with a certified copy of the letters of administration or letters testamentary. When no executor or administrator has been or is to be appointed, the bill of sale shall be executed in the name of the estate of the former owner by the heir at law and shall be accompanied by an affidavit from the signer that no application has been made for the appointment of an executor or administrator, that in so far as the applicant can determine, no such application will be made, and that he is the person entitled to the aircraft under the laws of the state having jurisdiction, or that under such laws he or she has the right to dispose of the aircraft.

(c) *Aircraft previously registered in foreign countries*—(1) *Application.* A certificate of registration will be issued by the Administrator of the Federal Aviation Agency for aircraft which have been last registered under the laws of a foreign country if the applicant:

(i) Submits a duly executed application for registration and the $4.00 registration fee to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma; and

(ii) Submits with the application a bill of sale from the foreign seller or other proof satisfactory to the Administrator of the Federal Aviation Agency that the applicant is the owner of the aircraft; and

(iii) Submits evidence satisfactory to the Administrator of the Federal Aviation Agency,

(*a*) If the country of foreign registry has not ratified the Convention on International Recognition of Rights in Aircraft, that the foreign registry has terminated or is invalid,[6]

(*b*) If the country of foreign registry has ratified the Convention,[7] that

(*1*) The foreign registry has terminated or is invalid, and that all holders of recorded rights against the aircraft have been satisfied or have consented to the transfer of registry; [8] or

(2) That ownership in the country of export has been terminated by a sale in execution carried out in conformity with the provisions of the Convention.[8]

(2) *Identification.* A United States registration number will be assigned to an aircraft previously registered in a foreign country only after the foreign registration has been terminated or has been determined to be invalid. After clearance with the Aircraft and Airman Records Branch, the Federal Aviation Agency Inspector at the port of entry of the aircraft into the United States, or the FAA International Field Office may assign a registration number to such an aircraft.

If the purchaser desires the assignment of a number not available from the inspector or field office, he shall apply directly to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma, and shall accompany his request with a check or money order made payable to the Federal Aviation Agency in the amount of $10.00 for the special number requested.

See footnotes at end of document.

§ 501.5 Signatures.

All signatures on applications for registration and on conveyances shall comply with the following, where applicable:

(a) *Agent.* If an instrument is signed by an agent, the name of the person or firm for whom the agent is signing shall be shown above the signature. The agent shall indicate that he is signing as "agent" or "attorney in fact" and shall submit the signed and acknowledged power of attorney under which he is acting or a certified true copy thereof or other acceptable evidence of his authority.

(b) *Corporation.* The person signing on behalf of a corporation shall show his corporate title on the instrument. The signature of a person signing for a corporation other than the president, vice president, secretary, or treasurer, will not be accepted unless there is submitted a certified copy of the authority granted him by the Board of Directors of the corporation to act in that capacity.

(c) *Partnership.* Where one partner signs for the entire partnership, the person signing shall indicate that he is signing on behalf of the partnership by showing the word "partner" beneath his signature.

(d) *Cotenants.* A document executed in connection with aircraft owned by several persons as cotenants or tenants in common shall be signed by each of the individuals who have title to the aircraft under that form of ownership.

(e) *Trade name.* Documents for aircraft owned by an individual, a partnership, or unincorporated association, doing business under a trade name, may be executed in the trade name and the persons signing shall show the capacity (owner or partner) under which he executed the documents.

§ 501.6 Effective date.

An aircraft will be deemed to be registered upon the date the documents required by § 501.4(a), (b), or (c), whichever is applicable, are mailed or delivered directly to the Aircraft and Airman Records Branch, Federal Aviation Agency, Oklahoma City, Oklahoma.

§ 501.7 Transferability.

A certificate of registration is not transferable.

§ 501.8 Duration.

When an application for registration made upon the prescribed form, and the required proof of ownership have been mailed or delivered directly to the Federal Aviation Agency, an aircraft may be operated for the period pending registration, or for the period designated in a notice from the Federal Aviation Agency mailed to the applicant at the address shown on the application, whichever is shorter. Documents mailed or delivered to an agent for transmittal to the Federal Aviation Agency do not constitute mailing or delivery to the Administrator. The certificate of registration issued by the Administrator of the Federal Aviation Agency pursuant thereto shall remain in effect indefinitely unless suspended or revoked: *Provided,* That subject to the provisions of the International Convention on the Recognition of Rights in Aircraft,[8] such registration and certificate shall immediately expire on the date,

(a) The aircraft is registered under the laws of any foreign country; or

(b) The registration of the aircraft is cancelled at the written request of the owner; or

(c) The aircraft is totally destroyed or scrapped; or

(d) The ownership of the aircraft is transferred; or

(e) The registered owner of the aircraft loses United States citizenship.

§ 501.9 Display.

The certificate of registration issued for any aircraft shall be displayed at all times in such aircraft, permanently affixed, at the cabin or cockpit entrance in such a manner that is legible to passengers or crew, and shall be shown upon request to any duly authorized representative of the Administrator of the Federal Aviation Agency, or any State or municipal official charged with law enforcement. If a certificate of registration is lost, stolen or mutilated, the person to whom such certificate was issued may apply for a duplicate to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma. A fee of one dollar ($1.00) will be charged for the issuance of a duplicate certificate of registration. If a duplicate certificate has been requested and need for operation of the aircraft arises before the duplicate certificate of registration can be received, on request from the owner, the Aircraft and Airman Records Branch will issue a temporary certificate in the form of a telegram to be carried in the aircraft, which will be good for a period not to exceed ten days.

§ 501.10 Invalidation.

Any registration of an aircraft shall be null and void if at the time of registration:

(a) The aircraft was registered under the laws of a foreign country; or

(b) The person registered as owner was not the true and lawful owner of the aircraft; or

(c) The person registered as owner was not a citizen of the United States;[8] or

(d) The person registered as owner was a citizen of the United States but the interest of such person in the aircraft was created by a transaction not entered into in good faith, being made rather for the purpose of technical compliance with the citizenship requirements of Federal Law,[9] with or without the knowledge of the registered owner.

§ 501.11 Surrender.

Upon the suspension, revocation, expiration, or invalidation of a certificate of registration, the owner of the aircraft shall, upon request, surrender such certificate to any authorized representative of the Administrator.

§ 501.12 Notice of change of ownership, registration, or address.

Upon sale, destruction, scrapping, or permanent retirement of the aircraft, or registration of the aircraft under the laws of any foreign country, the reverse side of the certificate of registration, Part A of Form FAA-500, shall be appropriately completed and returned immediately to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma. The registered owner of any aircraft shall notify the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma, immediately of any change of permanent mailing address.

[1] The certificate of registration issued by the Federal Aviation Agency is issued only to the owner of an aircraft. However, section 501 of the Federal Aviation Act of 1958, states that "registration shall not be evidence of ownership of aircraft in any proceeding in which such ownership by a particular person is, or may be in issue." The Federal Aviation Agency does not issue any certificate of ownership, nor is information with respect to ownership endorsed on certificates of registration. The records of aircraft ownership which are maintained by the Federal Aviation Agency are public records and are open for inspection at the Aircraft and Airman Records Branch, Oklahoma City, Oklahoma. Individuals interested in such information may make a personal search of the records or may avail themselves of the services of an agent or an attorney.

[2] A separate Part C (Bill of Sale) to Form FAA-500 has been provided for use when an additional bill of sale is required to complete the chain of ownership, or the execution of a new bill of sale is required to replace that submitted which did not meet the recording requirements of the Act or the Regulations of the Administrator. This form will also serve the aircraft manufacturers, dealers, distributors, and purchasers, who buy for immediate resale.

[3] As defined by section 101(13) of the Federal Aviation Act of 1958, "Citizen of the United States" means (a) an individual who is a citizen of the United States or of one of its possessions, or (b) a partnership of which each member is such an individual, or (c) a corporation or association created or organized under the laws of the United States or of any State, Territory or possession of the United States, of which the President and two-thirds or more of the Board of Directors and other managing officers thereof are such individuals and in which at least 75 per centum of the voting interest is owned or controlled by persons who are citizens of the United States or of one of its possessions.

[4] Acceptable evidence might consist of an affidavit from the applicant for registration setting forth the circumstances of his inability to obtain the required documents and submitting therewith any available evidence he may have in support of the transaction.

[5] As defined by section 101(16) of the Federal Aviation Act of 1958, "Conditional Sale" means (a) any contract for the sale of an aircraft, aircraft engine, propeller, appliance, or spare part under which possession is delivered to the buyer and the property is to vest in the buyer at a subsequent time, upon the payment of part or all of the price, or upon the performance of any other condition or the happening of any contingency; or (b) any contract for the bailment or leasing of an aircraft, aircraft engine, propeller, appliance, or spare part, by which the bailee or lessee contracts to pay as compensation a sum substantially equivalent to the value thereof, and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner thereof upon full compliance with the terms of the contract. The buyer, bailee, or lessee shall be deemed to be the person by whom any such contract is made or given.

[6] Such evidence will normally consist of a statement by the proper official of the country of foreign registry. However, consideration will also be given to a decree of a court of competent jurisdiction which vests title to the aircraft in the applicant and which finds that under the law of the country of foreign registry, that registry, has in fact become invalid.

[7] As of May 1, 1960, the Convention had come into effect between the United States and the following countries: Brazil, Pakistan, Norway, El Salvador, Chile, Argentina, Sweden, Laos, Ecuador, Republic of Germany, and The Netherlands. In addition, the Convention has been ratified by Mexico with reservations not recognized by the United States.

[8] Article IX of the Convention on the International Recognition of Rights in Aircraft, signed at Geneva on June 9, 1948 (4 U.S.T. 1830), provides that "Except in the case of a sale in execution in conformity with the provisions of Article VII, no transfer of an aircraft from the nationality register or the record of a contracting State to that of another Contracting State shall be made, unless all holders of recorded rights have been satisfied or consent to the transfer."

This revision shall become effective on September 19, 1960.

Issued in Washington, D.C., on August 8, 1960.

JAMES T. PYLE,
Acting Administrator.

[F.R. Doc. 60-7552; Filed, Aug. 12, 1960; 8:45 a.m.]

[Reg. Docket No. 284]

PART 502—DEALERS' AIRCRAFT REGISTRATION CERTIFICATES

Notice was given on February 26, 1960 (25 F.R. 1690), that the Federal Aviation Agency proposed to amend Part 502 of the regulations of the Administrator, to make editorial changes, minor clarifications and changes reflecting the enactment of the Federal Aviation Act of 1958.

Of the changes provided for in the above notice of proposed rule making only one has been received, objecting to the requirement in § 502.5(a) that a Dealers' Registration Certificate be displayed "at all times." However, the section provides that the Dealers' Registration Certificate need be displayed only when the aircraft is being operated. In consideration of the foregoing, Part 502 of the regulations of the Administrator is hereby amended and is as follows:

Sec.
502.1 Basis and purpose.
502.2 Application.
502.3 Requirements.
502.4 Limitations.
502.5 Rules.
502.6 Notice.

AUTHORITY: §§ 502.1 to 502.6 issued under sec. 313(a), 505 of the Federal Aviation Act of 1958, 72 Stat. 752, 774, 49 U.S.C. 1354(a), 1405.

§ 502.1 Basis and purpose.

The purpose of the regulations in this part is:

(a) To prescribe regulations for the registration of aircraft by persons engaged in the business of manufacturing, distributing, or selling of aircraft;

(b) To facilitate the operation, demonstration, and merchandising of aircraft moving in the ordinary trade channels from the manufacturer, distributor, or dealer to the ultimate purchaser without imposing upon the manufacturer, distributor, or dealer the burden of obtaining an individual certificate of registration for such aircraft with each transfer of ownership as required under the registration provisions of Part 501 of this chapter; and

(c) To permit manufacturers to conduct required production flight tests.

A dealer's aircraft registration certificate is an alternate form for the registration of civil aircraft to that prescribed by Part 501. Persons engaged in the business of manufacturing, distributing, or selling aircraft, upon application, may obtain one or more dealers' aircraft registration certificates issued under the provisions of this part. The basis for this part is found in section 505 of the Federal Aviation Act of 1958.

§ 502.2 Application.

Application for a dealer's aircraft registration certificate shall be made upon the Form FAA-1706 furnished by the Administrator of the Federal Aviation Agency and shall be submitted to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma, with the required registration fee of $5.00 for the first certificate and $1.00 for each additional or subsequent certificate issued to the same dealer. An application containing current data shall be signed in ink and shall be submitted each time certificates are requested and may cover as many certificates as are desired at that time.

§ 502.3 Requirements.

To be eligible for a dealers' aircraft registration certificate an applicant shall be a citizen of the United States [1] with an established place of business located in the United States or any Territory or possession of the United States, engaged in the following activities:

(a) The manufacture of aircraft, or

(b) The distribution or sale of new aircraft under authority of a franchise, license, letter of authority, agreement, or other arrangement from the manufacturer or his authorized agent, or

(c) The distribution or sale of used aircraft to ultimate purchasers through ordinary trade channels.

[1] As defined by section 101(13) of the Federal Aviation Act of 1958, "Citizen of the United States" means (a) an individual who is a citizen of the United States or of one of its possessions, or (b) a partnership of which each member is such an individual, or (c) a corporation or association created or organized under the laws of the United States or of any state, territory, or possession of the United States, of which the president and two-thirds or more of the board of directors and other managing officers thereof are such individuals and in which at least 75 per centum of the voting interest is owned or controlled by persons who are citizens of the United States or of one of its possessions.

§ 502.4 Limitations.

(a) *Operation.* (1) A dealers' aircraft registration certificate shall be valid for the navigation of an aircraft only by a person to whom such certificate was issued, his duly authorized agent or employee, or a prospective purchaser.

(2) A dealers' aircraft registration certificate is valid only for an aircraft owned by a person to whom such certificate was issued and which is being operated:

(i) In the ordinary trade channels between any two of the following persons: the manufacturer, the distributor, the dealer, or the purchaser from any of such persons, or

(ii) For demonstration purposes necessary to the sale of such aircraft. (Single place aircraft may be flown by prospective purchasers for sales demonstration purposes under the direct supervision and control of the person or his agent to whom the dealers' aircraft registration certificate was issued, provided the prospective purchaser is a properly certificated airman.) Charter flights or other flights which involve the carriage of passengers or property for hire are not permitted. The use of a dealers' aircraft registration certificate in an aircraft which is rented or leased under contract is prohibited, or

(iii) To conduct required production flight tests.

(3) A dealers' aircraft registration certificate is valid for an aircraft only while the aircraft is operated within the United States and the territories and possessions of the United States, including the territorial waters and the overlying air space thereof.

(b) *Transfer of ownership.* Whenever the ownership of an aircraft is transferred to a person who is not the possessor of a valid dealers' aircraft registration certificate, the purchaser shall make application for registration of the aircraft in his name in accordance with the provisions of Part 501 of this chapter prior to the operation of the aircraft. Aircraft distributors or dealers, who are operating under the terms of a dealers' aircraft registration certificate are not required to submit documentary evidence of their ownership of a particular aircraft prior to operation of the aircraft.[3]

§ 502.5 Rules.

(a) *Display.* The dealers' aircraft registration certificate shall be conspicuously displayed in the aircraft when operated by the person to whom the certificate was issued, or by his authorized agent or employee.

(b) *Duration.* A dealers' aircraft registration certificate shall expire one year from the date of issuance thereof.

(c) *Transferability.* A dealers' aircraft registration certificate is not transferable.

[3] If a bill of sale is forwarded to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma, by the dealer prior to the sale of the aircraft, it will be recorded under section 503 of the Federal Aviation Act of 1958, and thus be safeguarded from loss or destruction. There is no fee for the recording of such bill of sale.

§ 502.6 Notice.

The holder of a dealers' aircraft registration certificate shall notify the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma, immediately of any change which affects his status as a citizen of the United States as defined in section 101(13) of the Federal Aviation Act of 1958, or otherwise affects his eligibility for a dealers' aircraft registration certificate.

This revision shall become effective on September 19, 1960.

Issued in Washington, D.C., on August 8, 1960.

JAMES T. PYLE,
Acting Administrator.

[F.R. Doc. 60-7553; Filed, Aug. 12, 1960; 8:45 a.m.]

[Reg. Docket No. 284]

PART 503—RECORDATION OF AIRCRAFT OWNERSHIP

Notice was given on February 26, 1960 (25 F.R. 1690), that the Federal Aviation Agency proposed to amend Part 503 of the regulations of the Administrator to make editorial changes, minor clarifications, and changes reflecting the enactment of the Federal Aviation Act of 1958 and registration and recordation procedures.

No comments having been received, Part 503 of the regulations of the Administrator is hereby amended and is as follows:

Sec.
503.1 Basis and purpose.
503.2 Definitions.
503.3 Eligibility of conveyance.

AUTHORITY: §§ 503.1 to 503.3 issued under secs. 313(a), 503, 72 Stat. 752, 772; 49 U.S.C. 1354(a), 1403.

§ 503.1 Basis and purpose.

The purpose of this part is to prescribe regulations for the recordation of conveyances affecting title to, or any interest in, any aircraft registered under the provisions of section 501 of the Federal Aviation Act of 1958, and Part 501 or Part 502 of this chapter.[1] The basis for this part is found in sections 503 and 1102 of the Federal Aviation Act of 1958.

§ 503.2 Definitions.

As used in this part, "Conveyance" means:

(a) A bill of sale, contract of conditional sale, assignment of contract of conditional sale, or assignment of equitable interest under contract of conditional sale, mortgage, assignment of mortgage, lease, notice of tax lien or of other lien, or other instrument affecting title to, or any interest in, aircraft; and

(b) Any release, cancellation, invalidation, discharge, or satisfaction relating to any instrument recorded under this part.

§ 503.3 Eligibility of conveyance.

(a) A conveyance shall be eligible for recordation only if:

See footnotes at end of document.

(1) It is executed upon the form prescribed by the Administrator of the Federal Aviation Agency for such type of conveyance, or upon a form deemed appropriate by the Administrator, and is submitted to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma;

(2) It describes the aircraft by make and model, manufacturer's serial number and Federal Aviation Agency registration number, or by other detail sufficient to enable identification;

(3) It is the original document, an executed duplicate thereof with all signatures in ink which meets the requirements of Part 501.5 of this chapter, or if neither the original nor an executed duplicate is available, a true copy of a conveyance recorded under the laws of any state, territory, or possession of the United States, certified as such by the officer having custody of the records;[2]

(4) It affects an aircraft registered under the Federal Aviation Act of 1958;

(5) It is acknowledged by the signer or signers before a notary public or other officer authorized by the law of the United States, or of a State, territory or possession thereof, or the District of Columbia, to take acknowledgment of deeds;[3] and

(6) It is accompanied by the required recordation fee of $4.00 in the form of a check or money order made payable to the Federal Aviation Agency, for each aircraft covered by the conveyance, except that a fee is not required for the recordation of a bill of sale or bills of sale accompanied by a duly executed application for registration and registration fee of $4.00, or for the recordation of any release, cancellation, invalidation, discharge, or satisfaction of any conveyance executed for security purposes.

(b) Additional requirements:

(1) Where the seller is not shown on the records of the Federal Aviation Agency as being the owner of the aircraft, the bill of sale shall be accompanied by a bill or bills of sale or similar instruments showing consecutive transactions from the last registered owner through all intervening owners and thence to him.

(2) A contract of conditional sale shall be signed and acknowledged by both the conditional seller and the conditional purchaser. If the conditional seller is not shown on the records of the Federal Aviation Agency as being the owner of the aircraft, the contract of conditional sale shall be accompanied by a bill or bills of sale or other documents establishing the fact that the conditional seller is the owner.

(3) An assignment of a contract of conditional sale shall be executed by the conditional seller (assignor) and contain a description of the contract unless it is attached to, and is a part of the original contract of conditional sale.[4]

(4) An assignment of equitable interest under a contract of conditional sale shall contain a description of the original contract so as to permit identification; shall be signed and acknowledged by the assignor (conditional purchaser under the original contract) and also be signed by the holder (conditional seller or his assignee) of the contract of con-

ditional sale to show assent to the assignment of the equitable interest.[4]

(5) When the payments and conditions of the contract of conditional sale have been made or performed, the holder shall execute a release on the reverse side of Form FAA–818, which form is sent to the holder of the contract at the time of the recordation of the encumbrance, or its equivalent, and forward it for recordation.

(6) A chattel mortgage shall be eligible for recording if:

(i) It is signed by the mortgagor; and

(ii) The mortgagor is the registered owner of the aircraft,[5] or the mortgagor applies for registration as provided in Part 501 of this chapter; except that a chattel mortgage may be recorded without the submission of an application for registration and registration fee if the mortgagor is the holder of a valid Dealers' Aircraft Registration Certificate and submits the documents establishing his ownership as outlined in § 501.4 or if the mortgagor was the owner on the date of the execution of the mortgage and the documents recorded with this office establish that fact.

(7) An assignment of a chattel mortgage shall be signed by the mortgagee (assignor) and unless it is attached to, and made a part of, the original mortgage, it shall contain a description of the mortgage and be accompanied by the $4.00 recordation fee for each aircraft listed in the mortgage.[4]

(8) A supplement to a chattel mortgage which has been previously recorded by the Federal Aviation Agency shall meet all of the requirements for recording an original mortgage, which shall be described in the supplement in sufficient detail so as to permit identification, and shall be accompanied by a $4.00 recordation fee for each aircraft listed therein.[4]

(9) When a chattel mortgage has been satisfied or any of the mortgaged aircraft released from the terms of the mortgage, the holder of the mortgage shall execute the release on the reverse side of Form FAA–506 (which form is sent to the holder at the time of recordation of the mortgage) or its equivalent, and forward it for recordation. If the mortgage is secured by a number of aircraft and all of the collateral is released, it is not necessary that the collateral be described in detail in the release document. However, the mortgage shall be clearly identified through the names of the mortgagor, mortgagee, and/or assignee, the date of recording with the Federal Aviation Agency, and the document number thereof.

(c) Claims in respect of compensation due for salvage of aircraft, or for extraordinary expenses indispensable for the preservation of aircraft, pursuant to Article IV of the Convention on the International Recognition of Rights in Aircraft,[6] (4 U.S.T. 1830), may be noted on the record by filing with the Aircraft and Airman Records Branch within three months from the date of the termination of the salvage or preservation operations. Such claims need not be acknowledged before a notary public or other officer.[3]

[1] A recordable instrument is one which purports to be a "Conveyance" as that term is defined by Section 101(17) of the Federal Aviation Act. Recordation of an instrument does not mean the instrument does, in fact, affect the title to, or any interest in, an aircraft.

[2] When return of the original conveyance to the sender is desired, a certified true copy thereof shall be submitted with the original document. After recording, the certified true copy will be retained and the original will be returned to the sender stamped with the date and hour of recordation. A certified true copy of an original document is a document which is a complete copy of the original in all respects, including the dates, signatures, and acknowledgments, and to which is attached a certificate of a notary public stating that such officer has compared the copy with the original document and that it is a true and correct copy in all respects.

[3] A formal acknowledgment is required. Neither an affidavit of good faith nor a jurat alone is acceptable.

[4] The description of an original conveyance shall include the date of the conveyance, the names of the parties thereto, the date of recording by the Federal Aviation Agency, and the recorded document number.

[5] The name of a co-signer shall not appear in the body of the mortgage as a mortgagor (owner). If any person other than the registered owner of the aircraft signs the mortgage as a co-signer, he shall show the title "co-signer" beneath his signature.

[6] Under the Convention, salvage and preservation operations on an airplane of United States registry, in order to be noted as a charge or lien on United States records, must have been terminated outside the United States and within the territory of one of the other treaty contracting states. Such operation, if terminated in the United States, cannot be noted on United States records, but may be noted, if a lien arises, on the records of the foreign nation in which the aircraft is registered, if such nation is a party to the Convention. The law of the country wherein the operations of salvage or preservation are terminated determines whether a charge or lien arises due to such salvage or preservation operation. Such charges or liens take precedence over all other rights in the aircraft. These charges have priority in the inverse order of the dates in connection with which they have arisen. (Last is first in priority; next-to-last is second, etc.) If the charge is not noted within the three-month period and if no judicial action is commenced within such three-month period or if no amount is agreed to within such three-month period, the right cannot be recognized nor recorded. The law of the forum determines whether such three-month period has been interrupted or suspended in any particular case.

This revision shall become effective on September 19, 1960.

Issued in Washington, D.C., on August 8, 1960.

JAMES T. PYLE,
Acting Administrator.

[F. R. Doc. 60–7554; Filed, Aug. 12, 1960; 8:45 a.m.]

See footnotes at end of document.

[Reg. Docket No. 284]

PART 504—RECORDATION OF ENCUMBRANCES AGAINST SPECIFICALLY IDENTIFIED AIRCRAFT ENGINES AND PROPELLERS

Notice was given on February 26, 1960, (25 F.R. 1690) that the Federal Aviation Agency proposed to amend Part 504 of the regulations of the Administrator to make editorial changes, minor clarifications and changes reflecting the enactment of the Federal Aviation Act of 1958.

No comments having been received, Part 504 of the regulations of the Administrator is hereby amended and is as follows:

Sec.
504.1 Basis and purpose.
504.2 Definitions.
504.3 Eligibility of conveyances.

AUTHORITY: §§ 504.1 to 504.3 issued under sec. 313(a), 503, 72 Stat. 752; 772, 49 U.S.C. 1354(a), 1403.

§ 504.1 Basis and purpose.

The purpose of this part is to prescribe regulations for the recordation of conveyances affecting the title to, or any interest in, any specifically identified aircraft engine or engines of seven hundred and fifty or more rated takeoff horsepower for each such engine or the equivalent of such horsepower, and any specifically identified aircraft propeller capable of absorbing seven hundred and fifty or more rated takeoff shaft horsepower. The basis for this part is found in section 503 of the Federal Aviation Act of 1958 as amended.

§ 504.2 Definitions.

As used in this part, "conveyance" means:

(a) Any lease, mortgage, equipment trust, contract of conditional sale, notice of tax lien or of other lien, or other instrument executed for security purposes, which instrument affects the title to, or any interest in, any specifically identified aircraft engine or engines of seven hundred and fifty or more rated takeoff horsepower for each such engine or the equivalent of such horsepower, or any specifically identified aircraft propeller capable of absorbing seven hundred and fifty or more rated takeoff shaft horsepower; or

(b) Any assignment, amendment, or supplement of or to an instrument set forth in paragraph (a) of this section; or

(c) Any release, cancellation, discharge, or satisfaction relating to any of the instruments set forth in paragraphs (a) and (b) of this section.

§ 504.3 Eligibility of conveyances.

(a) A conveyance shall be eligible for recordation only if:

(1) It affects an aircraft engine or propeller which is specifically identified by make, model, and manufacturer's serial number;

(2) It affects an aircraft engine of seven hundred and fifty or more rated

takeoff horsepower or the equivalent of such horsepower, or an aircraft propeller capable of absorbing seven hundred and fifty or more rated takeoff shaft horsepower;

(3) It is accompanied by the required recordation fee of $2.00 in the form of a check or money order made payable to the Federal Aviation Agency, for each aircraft engine and propeller affected by the conveyance: *Provided,* That this paragraph shall not apply to any release, cancellation, invalidation, discharge, or satisfaction relating to any conveyance recorded under this part;

(4) It is signed in ink and submitted to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma; and

(5) It is acknowledged before a notary public or other officer authorized by the law of the United States, or of a State, Territory, or possession thereof, or the District of Columbia, to take acknowledgment of deeds.[1]

(b) Release: A release of the collateral listed in the encumbrance, or any part thereof, shall be signed in ink and acknowledged by the holder of the encumbrance. This release shall be in form equivalent to the release Form FAA–1991, and shall contain a description of the encumbrance, the recording data furnished the holder at the time of its recording, and the collateral released. If a number of engines and/or propellers were listed in the encumbrance and all of that collateral is released, it will not be necessary to list the engines and/or propellers by serial number, but the release shall set forth that all of the engines and propellers encumbered have been released. The original recorded document shall be clearly identified by the names of the parties to the transaction, the date of recording with the Federal Aviation Agency, and the document number thereof.

This revision shall become effective on September 19, 1960.

Issued in Washington, D.C., on August 8, 1960.

JAMES T. PYLE,
Acting Administrator.

[F.R. Doc. 60–7555; Filed, Aug. 12, 1960; 8:45 a.m.]

[Reg. Docket No. 284]

PART 505—RECORDATION OF ENCUMBRANCES AGAINST AIRCRAFT ENGINES, PROPELLERS, APPLIANCES, OR SPARE PARTS

Notice was given on February 26, 1960 (25 F.R. 1690) that the Federal Aviation Agency proposed to amend Part 505 of the regulations of the Administrator to make editorial changes, minor clarifications and changes reflecting the enactment of the Federal Aviation Act of 1958.

No comments having been received, Part 505 of the regulations of the Administrator is hereby amended and is as follows:

Sec.
505.1 Basis and purpose.
505.2 Definitions.
505.3 Eligibility of conveyances.

AUTHORITY: §§ 505.1 to 505.3 issued under sec. 313(a), 503, 72 Stat. 752; 772, 49 U.S.C. 1354(a), 1403.

§ 505.1 Basis and purpose.

The purpose of this part is to prescribe regulations for the recordation of conveyances affecting the title to, or any interest in, any aircraft engines, propellers, or appliances maintained by or on behalf of an air carrier certificated under section 604(b) of the Federal Aviation Act of 1958, for installation or use in aircraft, aircraft engines, or propellers, or any spare parts maintained by or on behalf of such an air carrier, which instrument need only describe generally by types the engines, propellers, appliances, and spare parts covered thereby and designate the location or locations thereof. The basis for this part is found in section 503 of the Federal Aviation Act of 1958.

§ 505.2 Definitions.

As used in this part, "conveyance" means:

(a) Any lease, mortgage, equipment trust, contract of conditional sale, notice of tax lien or of other lien or other instrument executed for security purposes, which instrument affects the title to, or any interest in, any aircraft engines, propellers, appliances or spare parts maintained by or on behalf of an air carrier certificated under section 604(b) of the Federal Aviation Act of 1958; or

(b) Any assignment, amendment, or supplement of or to an instrument set forth in paragraph (a) of this section; or

(c) Any release, cancellation, discharge, or satisfaction relating to any of the instruments set forth in paragraphs (a) and (b) of this section.

§ 505.3 Eligibility of conveyances.

(a) A conveyance shall be eligible for recordation if:

(1) It affects aircraft engines, propellers, appliances, or spare parts maintained by or on behalf of an air carrier certificated under section 604(b) of the Federal Aviation Act of 1958;

(2) It contains or is accompanied by a statement by the mortgagor, conditional purchaser, lessee, etc., setting forth that the mortgagor, conditional purchaser, lessee, etc., is an air carrier certificated under section 604(b) of the Federal Aviation Act, and including therein information as to the pertinent part of the Civil Air Regulations under which the air carrier operating certificate was issued.

(3) It specifically describes the location or locations of the aircraft engines, propellers, appliances, or spare parts covered thereby;

(4) It is accompanied by the required recordation fee of $2.00 in the form of a check or money order made payable to the Federal Aviation Agency, for each location: *Provided,* That this paragraph shall not apply to any release, cancellation, invalidation, discharge, or satisfaction relating to any conveyance recorded under this part;

(5) It is signed in ink, and submitted to the Federal Aviation Agency, Aircraft and Airman Records Branch, Oklahoma City, Oklahoma; and

(6) It is acknowledged before a notary public or other officer authorized by law of the United States, or of a State, Territory, or possession thereof, or the District of Columbia, to take acknowledgment of deeds.[1]

(b) Release: A release of all of the collateral listed in the encumbrance or of all of the collateral at a particular location or locations, shall be signed in ink and acknowledged by the holder of the encumbrance releasing all of the collateral at the particular location or locations. This release shall be in form equivalent to the release Form FAA–1991, and shall contain a description of the encumbrance, the recording data furnished the holder at the time of its recording, and the location or locations of the released collateral. If the collateral at all of the locations listed in the encumbrance is released, it will not be necessary to list the locations, but the release shall set forth that all of the collateral at all of the locations listed in the encumbrance has been released. The original recorded document shall be clearly identified by the names of the parties to the transaction, the date of recording with the Federal Aviation Agency, and the document number thereof.

This revision shall become effective on September 19, 1960.

Issued in Washington, D.C., on August 8, 1960.

JAMES T. PYLE,
Acting Administrator.

[F.R. Doc. 60–7556; Filed, Aug. 12, 1960; 8:45 a.m.]

SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Airspace Docket No. 59–LA–8]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Designation and Modification of Federal Airways and Associated Control Areas

On March 5, 1960, a notice of proposed rule making was published in the FEDERAL REGISTER (25 F.R. 1961) stating that the Federal Aviation Agency was considering

[1] A formal acknowledgment is required. Neither an affidavit of good faith nor a jurat alone is acceptable.

[1] A formal acknowledgment is required Neither an affidavit of good faith nor a jurat alone is acceptable.

amendments to §§ 600.6012, 600.6019, 600.6190, 601.6019, and 601.6190 of the regulations of the Administrator which would result in the following actions: modification of a segment of VOR Federal airway No. 12 between Winslow, Ariz., and Albuquerque, N. Mex.; modification of a segment of VOR Federal airway No. 19 between Socorro, N. Mex., and Santa Fe, N. Mex.; and modification of a segment of VOR Federal airway No. 190 between St. Johns, Ariz. (erroneously referred to as St. Johns, N. Mex., in the Notice), and Las Vegas, N. Mex.

As stated in the Notice, Victor 12 would be modified by revoking the north alternate from Winslow to Zuni, N. Mex., and the south alternate between Zuni and Albuquerque; and by designating a south alternate between Zuni and Grants, N. Mex., via the intersection of the Zuni VOR 108° and the Grants VOR 252° True radials. The associated control areas as so designated that they would automatically conform to this modified airway, and no amendment relating to such control areas would be necessary. Victor 19 would be modified by designating a west alternate from the Socorro VOR to the Albuquerque VOR via the intersection of the Socorro VOR 333° and the Albuquerque VOR 210° True radials; and the redesignation of Victor 19 from the Albuquerque VOR direct to the Santa Fe VOR, including a west alternate via the intersection of the Albuquerque VOR 026° and the Santa Fe VOR 253° True radials. Victor 190 would be modified by redesignating it from the St. Johns VOR via the Albuquerque VOR to the Las Vegas VOR including a north alternate via the intersection of the St. Johns VOR 053° and the Grants VOR 252° True radials; the Grants VOR; to the Albuquerque VOR.

The dual airway structure resulting from these actions will facilitate air traffic management by providing preferential inbound and outbound routings in the Albuquerque area. In addition, the realigned airways will provide the means for separating climbing and descending aircraft from traffic on the main airways. The west alternate to Victor 19 between Socorro and Albuquerque will traverse the Albuquerque Restricted Area (R–313). However, the restricted area is also designated as a control area and is normally available for use by air traffic during IFR weather conditions. The west alternate to Victor 19 between Albuquerque and Santa Fe will permit retention of the present 9000 foot MSL minimum en route altitude for unpressurized aircraft and aircraft destined for either terminal. The north alternate to Victor 12 between Winslow and Zuni is revoked, as the main airway segment and south alternate to Victor 12 provide adequate airway structure for VHF equipped aircraft operating between these points, and the north alternate is an unnecessary assignment of airspace, revocation of which is in the public interest.

The Notice stated that an amendment to § 601.6019 was to be considered, however, the control areas associated with Victor 19 are so designated that they will automatically conform to the modified airway. Accordingly, no amendment relating to such control areas will be necessary.

The Department of the Air Force commented objecting to the designation of a west alternate to Victor 19 between Socorro and Albuquerque for the reason that it will pass through Restricted Area (R–313). The Air Force states that it is believed that official designation of an airway through R–313 and consequent depiction of the airway on aeronautical charts would cause or support premature abolishment of the restricted area; that safety of private and military aircraft may be jeopardized by designating an airway through R–313; that despite the fact that aeronautical charts would show that prior ATC approval would be required, it is possible that operators of light civil aircraft would feel safe in flying along a published airway at low altitudes; and that with mission aircraft operating at 50 to 500 feet absolute altitude at speeds up to 600 knots indicated air speed, serious consequences could result.

The Notice stated that Restricted Area (R–313) is also designated as controlled airspace and, as noted by the Air Force, all aeronautical charts are plainly marked, "Prior ATC approval required for flights within R–313." R–313 is operated under the joint use concept, and when it is not in use by the controlling agency, it is released to the Albuquerque ARTC. During such periods, this area has been and is being used for the routing of IFR traffic. Designation of Victor 19 west will not change existing utilization of this area except to the extent that it will simplify the routing of air traffic. It is neither intended nor expected that designation and depiction of the airway will in any way influence the rescission of the restricted area. Nor does the Federal Aviation Agency consider that designation of the airway would, or should, to any degree relieve users of the airspace from their responsibility to acquaint themselves with and abide by the requirement to obtain prior ATC approval before traversing this restricted area. Therefore, in the interest of increased air traffic management efficiency, the Federal Aviation Agency is designating Victor 19 west as proposed.

The Air Transport Association expressed their full concurrence with the proposal. No other comments were received regarding the proposed amendment.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530), the following actions are taken:

§ 600.6012 [Amendment]

1. In the text of § 600.6012 (24 F.R. 10506; 25 F.R. 430, 632, 1991, 3756), "Zuni, N. Mex., VOR including a north alternate via the INT of the Winslow VOR 076° and the Zuni VOR 287° radials and also a south alternate via the INT of the Winslow VOR 109° and the Zuni VOR 252° radials; Grants, N. Mex., omnirange station; Albuquerque, N. Mex., omnirange station, including a south alternate from the Zuni omnirange station to the Albuquerque omnirange station via the point of intersection of the Zuni omnirange direct radial to the La Joya, N. Mex., omnirange with the Albuquerque omnirange 254° radial;" is deleted and "Zuni, N. Mex., VORTAC, including a S alternate via the INT of the Winslow VOR 109° True and the Zuni VORTAC 252° True radials; Grants, N. Mex., VOR, including a S alternate via the Zuni VORTAC 108° True and the Grants VOR 252° True radials; Albuquerque, N. Mex., VORTAC;" is substituted therefor.

§ 600.6019 [Amendment]

2. In the text of § 600.6019 (24 F.R. 10508; 25 F.R. 5876), "Socorro, N. Mex., VOR; INT of the Socorro VOR 015° and the Albuquerque VOR 160° radials; Albuquerque, N. Mex., VOR; INT of the Albuquerque VOR 026° and the Santa Fe VOR 253° radials; Santa Fe, N. Mex., VOR;" is deleted and "Socorro, N. Mex., VORTAC; INT of the Socorro VORTAC 015° True and the Albuquerque VORTAC 160° True radials; Albuquerque, N. Mex., VORTAC including a W alternate via the Socorro VORTAC 333° True and the Albuquerque VORTAC 210° True radials; Santa Fe, N. Mex., VORTAC, including a W alternate via the Albuquerque VORTAC 026° True and the Santa Fe VORTAC 253° True radials;" is substituted therefor.

§ 600.6190 [Amendment]

3. In the text of § 600.6190 (24 F.R. 10521; 25 F.R. 856, 3708), "St. Johns, Ariz., omnirange station; Grants, N. Mex., omnirange; intersection of the Grants omnirange 067° and the Santa Fe omnirange 253° radials; Santa Fe, N. Mex., omnirange station; Las Vegas, N. Mex., omnirange station;" is deleted and "St. Johns, Ariz., VOR; Albuquerque, N. Mex., VORTAC including a N alternate via the INT of the St. Johns, VOR 053° True and the Grants VOR 252° True radials, and the Grants, N. Mex., VOR; Las Vegas, N. Mex., VOR;" is substituted therefor.

4. Section 601.6190 (24 F.R. 10602) is amended to read:

§ 601.6190 VOR Federal airway No. 190 control areas (Phoenix, Ariz., to Evansville, Ind.).

All of VOR Federal airway No. 190 including a N alternate.

These amendments shall become effective 0001 e.s.t. September 22, 1960.

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

Issued in Washington, D.C., on August 8, 1960.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 60–7558; Filed, Aug. 12, 1960; 8:45 a.m.]

SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Reg. Docket No. 461; Amdt. 179]

PART 609—STANDARD INSTRUMENT APPROACH PROCEDURES

Miscellaneous Alterations

The new and revised standard instrument approach procedures appearing hereinafter are adopted to become effective and/or cancelled when indicated in order to promote safety. The revised procedures supersede the existing procedures of the same classification now in effect for the airports specified therein. For the convenience of the users, the revised procedures specify the complete procedure and indicate the changes to the existing procedures. Pursuant to authority delegated to me by the Administrator (24 F.R. 5662), I find that a situation exists requiring immediate action in the interest of safety, that notice and public procedures hereon are impracticable and that good cause exists for making this amendment effective on less than thirty days' notice.

Part 609 (14 CFR Part 609) is amended as follows:

1. The low or medium frequency range procedures prescribed in § 609.100(a) are amended to read in part:

LFR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
				T-dn C-d C-n A-dn	300–1 500–1 500–1½ 800–2		

Procedure turn S side of crs, 101° Outbnd, 281° Inbnd, 2100′ within 10 mi.
Minimum altitude over facility on final approach crs, 1600′.
Crs and distance, facility to airport, 297—2.3.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.3 mi, climb to 2600′ on W crs within 20 mi.
NOTE: Only aircraft having stall speeds of 65K or less authorized. N–S runway authorized only.
CAUTION: Mast 1172′ MSL, 0.5 mi N of final approach crs and 1270′ MSL unlighted stack 2.0 mi N of airport.

City, Chanute; State, Kans.; Airport Name, Municipal; Elev., 1001′; Fac. Class., SBRAZ; Ident., CU; Procedure No. 1, Amdt. 2; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 1; Dated, 14 Oct. 53

Oden FM CRP VOR	CP LFR CP LFR	Direct Direct	1400 1400	T-dn C-dn A-dn	300–1 500–1 800–2	300–1 500–1 800–2	200–½ 500–1½ 800–2

Procedure turn N side of NE crs, 039° Outbnd, 219° Inbnd, 1400′ within 10 mi. Beyond 10 mi NA.
Minimum altitude over facility on final approach crs, 1400′.
Crs and distance, facility to airport, 216°—2.2 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.2 miles, turn right and climb to 1800′ on SW (231°) crs within 20 miles or, when directed by ATC, turn left, climb to 1400′ on NE (039°) crs within 20 miles.

City, Corpus Christi; State, Tex.; Airport Name, International; Elev., 43′; Fac. Class., SBMRLZ; Ident., CP; Procedure No. 1, Amdt. Orig.; Eff. Date, 27 Aug. 60, or upon cancellation of Amdt. 12, Cliff Maus Airport

Anchor Point Int Homer VOR	HOM–LFR (final) Homer LFR	061–28 Direct	1900 2700	T-dn C-dn A-dn	400–1 500–2 800–2	400–1 500–2 800–2	400–1 500–2 800–2

Procedure turn S side W crs, 241° Outbnd, 061° Inbnd, 1900′ within 10 mi.
Minimum altitude over facility on final approach crs, 1900′.
Crs and distance, facility to airport, *068—1.6.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5.2 miles, turn right, climb to 2500′ on W crs (241° outbnd) within 20 mi.
CAUTION: Terrain within 1 mi N and W rising to 1000′ and continuing to rise to 1900′ within 4 mi. All maneuvers prior to landing must be accomplished SE of airport. Turn right after takeoff Runway 3, turn left after takeoff Runway 21.
*Let-down from facility on magnetic crs 090 to minimums.

City, Homer; State, Alaska; Airport Name, Homer Airport; Elev., 80′; Fac. Class., SBRAZ; Ident., HH; Procedure No. 1, Amdt. 13; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 12; Dated, 5 May 56

Homer VOR	Homer LFR	Direct	2700	T-dn C-dn A-dn	400–1 500–2 800–2	400–1 500–2 800–2	400–1 500–2 800–2

Procedure turn S side W crs, 241° Outbnd, 061° Inbnd, 1300′ within 10 mi.
Minimum altitude over facility on final approach crs (see missed approach).
Crs and distance, facility to airport, 068—1.6.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5 miles West of Homer LFR following procedure turn, turn right, climb to 2500′ on West crs (241° Outbnd) within 25 miles.
CAUTION: Hold "A" twilight on final approach to range station. Terrain within one mile North rising to 1000′ and continuing to rise to 1900′ within 4 miles. All maneuvers prior to landing must be performed SE of airport. Turn right after takeoff Runway 3, turn left after takeoff Runway 21.

City, Homer; State, Alaska; Airport Name, Homer; Elev., 80′; Fac. Class., SBRAZ; Ident., HH; Procedure No. 2, Amdt. 2; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 1; Dated, 10 Sept. 55

LFR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
				T-dn	300–1	300–1	200–½
				C-dn	500–1	500–1	500–1½
				S-dn-18	400–1	400–1	400–1
				A-dn	800–2	800–2	800–2

Procedure turn N side of NE crs, 009° Outbnd, 189° Inbnd, 1400′ within 10 mi.
Minimum altitude over facility on final approach crs, 900′.
Crs and distance, facility to airport, 183°—1.9 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.1 miles, climb to 1400′ on SW crs (187°) within 20 mi.

City, Kenai; State, Alaska; Airport Name, Kenai; Elev., 93′; Fac. Class., SBRAZ; Ident., KE; Procedure No. 1, Amdt. 9; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 8; Dated, 5 May 56

All directions	SPR-LFR	Direct	MEA	T-dn	300–1	300–1	200–½
				C-dn	700–1	700–1	700–1½
				S-dn-1	700–1	700–1	700–1
				A-dn*	NA	NA	NA

Procedure turn E side of crs, 189° Outbnd, 009° Inbnd, 2700′ within 10 mi.
Minimum altitude over facility on final approach crs, 1800′.
Crs and distance, facility to airport, 011°—3.2 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.2 miles after passing Spragueville LFR, climb to 2500′ on N crs SPR-LFR within 20 mi.
NOTE: ADF approach NA.
*Alternate weather minimums of 800–2 authorized for those who have an approved arrangement for weather service at the airport.

City, Presque Isle; State, Maine; Airport Name, Presque Isle Municipal; Elev., 534′; Fac. Class., SMLZW; Ident., SPR; Procedure No. 1, Amdt. Orig.; Eff. Date, 27 Aug 60

All directions	PQ-LFR	Direct	MEA	T-dn	300–1	300–1	200–½
				C-dn	700–1	700–1	700–1½
				S-dn-19	700–1	700–1	700–1
				A-dn*	NA	NA	NA

Procedure turn W side of crs, 019° Outbnd, 199° Inbnd, 2200′ within 10 miles.
Minimum altitude over facility on final approach crs, 1500′.
Crs and distance, facility to airport, 190°—2.8 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.8 mi after passing PQ-LFR, climb to 2700′ on S crs of PQ-LFR within 20 mi.
*Alternate weather minimums of 800–2 authorized for those who have an approved arrangement for weather service at the airport.

City, Presque Isle; State, Maine; Airport Name, Presque Isle Municipal; Elev., 534′; Fac. Class., SBRAZ; Ident., PQ; Procedure No. 2, Amdt. Orig.; Eff. Date, 27 Aug. 60

2. The automatic direction finding procedures prescribed in § 609.100(b) are amended to read in part:

ADF STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.
If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
ADM VOR	ADM RBn	005°–5.5	2200	T-dn	300–1	300–1	200–½
				C-d	500–1	600–1	600–1½
				C-n	600–1	600–1	600–1½
				S-d-8	500–1	500–1	500–1
				S-n-8	600–1	600–1	600–1
				A-dn	*800–2	*800–2	*800–2

Procedure turn S side of crs, 256° Outbnd, 076° Inbnd, 2500′ within 10 mi. Beyond 10 mi NA.
Minimum altitude over facility on final approach crs, 2000′.
Crs and distance, facility to airport, 076°—5.7 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5.7 miles, climb to 2700′ on crs of 076° from ADM RBn within 20 mi.
NOTE: Weather not available to General Public.
*Alternate use for Air Carrier only.

City, Ardmore; State, Okla.; Airport Name, Ardmore Municipal; Elev., 762′; Fac. Class., BMH; Ident., ADM; Procedure No. 1, Amdt. 1; Eff. Date, 27 Aug. 60; Sup. Amdt. No. Orig.; Dated, 2 July 60

Charleston VOR	CW-LFR	Direct	2500	T-dn	300–1	300–1	200–½
Swiss Int	CW-LFR	Direct	3000	C-dn	1500–2	1500–2	1500–2
				A-dn	1500–2	1500–2	1500–2

Procedure turn North side of crs, 281° Outbnd, 101° Inbnd, 3000′ within 10 miles.
Minimum altitude over facility on final approach crs, 2500′.
Crs and distance, facility to airport, 113°—9.3 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.0 mile, make a left turn and climb to 3000′ direct to the Charleston LOM.

City, Charleston; State, W. Va.; Airport Name, Kanawha County; Elev., 981′; Fac. Class., SBRAZ; Ident., CW; Procedure No. 2, Amdt. 1; Eff. Date, 27 Aug. 60; Sup. Amdt. No. Orig.; Dated, 9 July 60

ADF STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
County Int	Cuyahoga County RBn	Direct	2500	T-dn	300-1		
Perry RBn	Cuyahoga County RBn	Direct	2500	C-dn	1000-1		
Fairport Int	Cuyahoga County RBn	Direct	2500	A-dn	NA		

Procedure turn North side of crs, 060° Outbnd, 240° Inbnd, 2300' within 10 miles. Beyond 10 miles NA.
Facility on airport.
Minimum altitude over facility on final approach crs, 1900'.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0.0 mile of CGF RBn, turn left, climb to 2500' on crs of 060° within 10 miles. Return to CGF RBn. Hold in standard holding pattern 060° outbnd, 240° inbnd.
CAUTION: Airport bounded by trees East and Northeast.
NOTES: (1) No weather reporting service. (2) After 8 P.M. runway lights upon request through UNICOM or Cleveland Center. Facility owned and operated by Cuyahoga County Airport.

City, Cleveland; State, Ohio; Airport Name, Cuyahoga County; Elev., 855'; Fac. Class., MHW; Ident., CGF; Procedure No. 2, Amdt. 1; Eff. Date, 27 Aug. 60; Sup. Amdt. No. Orig.; Dated, 21 May 60

CRP VOR	LOM	Direct	1400	T-dn	300-1	300-1	200-½
CP LFR	LOM	Direct	1400	C-dn	400-1	500-1	500-1½
				S-dn-13	400-1	400-1	400-1
				A-dn	800-2	800-2	800-2

Procedure turn W side of NW crs, 307° Outbnd, 127° Inbnd, 1800' within 10 mi. Beyond 10 mi NA.
Minimum altitude over facility on final approach crs, 1400'.
Crs and distance, facility to airport, 127°—4.8 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.8 miles, turn right, climb to 1800' on CRP VOR R-263 within 20 miles or, when directed by ATC, turn left, climb to 1400' direct to CRP VOR and proceed outbound on R-040 within 20 miles.

City, Corpus Christi; State, Tex.; Airport Name, International; Elev., 43'; Fac. Class., LOM; Ident., CR; Procedure No. 1, Amdt. Orig.; Eff. Date, 27 Aug. 60 or on com. of fac.

All directions	LOM	Direct	MEA	T-dn	300-1	300-1	200-½
				C-d	400-1	500-1	500-1½
				C-n	400-1½	500-1½	500-1½
				S-dn-13	400-1	400-1	400-1
				A-dn	800-2	800-2	800-2

Procedure turn W side of crs, 310° Outbnd, 130° Inbnd, 2500' within 10 miles.
Minimum altitude over facility on final approach 2000'.
Crs and distance, facility to airport, 130°—3.8 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.8 miles, climb to 2700' on 130° crs or, when directed by ATC, make left turn, climbing to 2500' and proceed to LOM.

City, Joplin; State, Mo.; Airport Name, Joplin Municipal; Elev., 980'; Fac. Class., LOM; Ident., JL; Procedure No. 1, Amdt. 3; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 2 (ADF portion Comb. ILS-ADF); Dated, 15 Dec. 56

Oklahoma City VOR	LOM	Direct	2400	T-dn	300-1	300-1	200-½
Oklahoma City LFR	LOM	Direct	2400	C-dn	400-1	500-1	500-1½
Bethany Int	LOM	Direct	2500	S-dn-35	400-1	400-1	400-1
Mustang FM	LOM	Direct	2400	A-dn	800-2	800-2	800-2
Newcastle Int	LOM (final)	Direct	2300				
*Radar terminal area transition altitudes:		Within:					
000	090	25 mi	2400				
090	180	25 mi	2500				
180	230	25 mi	2700				
230	295	35 mi	2500				
295#	360	25 mi	#2700				

Procedure turn E side of crs, 170° Outbnd, 350° Inbnd, 2500' within 10 mi. Beyond 10 mi NA.
Minimum altitude over LOM inbnd final, 2300'.
Crs and distance, facility to airport, 350°—4.2 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.2 mi after passing LOM, climb to 3000' on 350° crs within 20 mi or, when directed by ATC, turn left, climb to 2500' direct to the OKO VOR, or direct to the OC LFR.
*Azimuths and distances are from antenna site progressing clockwise.
#Radar Control will provide 1000' vertical clearance within a 3-mile radius or 500' vertical clearance within a 3- to 5-mile (inclusive) radius of towers 2127' msl and 2726' msl 9 mi NW of antenna site.

City, Oklahoma City; State, Okla.; Airport Name, Will Rogers; Elev., 1284'; Fac. Class., LOM; Ident., OK; Procedure No. 1, Amdt. 7; Eff. Date, 27 Aug. 60; Sup. Amdt No. 6; Dated, 9 July 60

Oklahoma City LFR	TWO RBn	Direct	2500	T-dn	300-1	300-1	200-½
Oklahoma City VOR	TWO RBn	Direct	2500	C-dn	400-1	500-1	500-1½
Oklahoma City LOM	TWO RBn	Direct	2400	S-dn-17	400-1	400-1	400-1
Mustang FM	TWO RBn	Direct	2500	A-dn	800-2	800-2	800-2
Bethany Int	TWO RBn (final)	Direct	2300				
Edmond Int	TWO RBn (final)	Direct	2300				
*Radar terminal area transition altitudes:		Within:					
000	090	25 mi	2400				
090	180	25 mi	2500				
180	230	25 mi	2700				
230	295	35 mi	2500				
295#	360	25 mi	#2700				

Procedure turn W side crs, 350° Outbnd, 170° Inbnd, 2500' within 10 mi. Beyond 10 mi NA.
Minimum altitude over facility on final approach crs, 2300'.
Crs and distance, facility to airport, 170°—4.0 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.0 miles, climb to 2400' on 170° crs from TWO RBn within 20 mi or, when directed by ATC, turn right, climb to 2500' direct to OKC-VOR or direct to OC-LFR.
*Azimuths and distances are from antenna site progressing clockwise.
#Radar Control will provide 1000' vertical clearance within a 3-mile radius or 500' vertical clearance within a 3- to 5-mile (inclusive) radius of towers 2127' msl and 2726' msl 9 mi NW of antenna site.

City, Oklahoma City; State, Okla.; Airport Name, Will Rogers; Elev., 1284'; Fac. Class., MHW; Ident., TWO; Procedure No. 2, Amdt. 5; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 4; Dated, 9 July 60

ADF STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
				T-dn	300-1	300-1	300-1
				C-dn	400-1	500-1	500-1½
				A-dn	800-2	800-2	800-2

INSTRUMENT APPROACH TO BE CONDUCTED IN ACCORDANCE WITH USAF AL-1502-ADF.
CAUTION: No control area. Pilots using this facility shall, as soon as practicable, advise Point Barrow Radio of their position, altitude, ETA, and intentions, and thereafter determine that adequate separation exists from other reported users of navigational facilities in the area. In instances where other aircraft have previously contacted Point Barrow Radio, hold between facility and a point two minutes out on final approach course at least 1,000 feet above procedure turn altitude and 1,000 feet above previously reported traffic until advised that aircraft making approach has landed. Keep Point Barrow Radio advised at all times of changes in altitude and position in order that other aircraft may also receive this information.
NOTE: Closed to all civil air traffic except in emergency or when given special authorization by USAF. See Alaska Airman's Guide for authorizing organizations.

City, Point Barrow; State, Alaska; Airport Name, Point Barrow Aerodrome; Elevation, 9'; Fac. Class., H; Ident., PBA; Procedure No. 1, Amdt. Orig.; Eff. Date, 27 Aug. 60

3. The very high frequency omnirange (VOR) procedures prescribed in § 609.100(c) are amended to read in part:

VOR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.
If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
ADM RBn	ADM VOR	Direct	2000	T-dn	300-1	300-1	200-½
				C-dn	*500-1	*600-1	*600-1½
				A-dn	**800-2	**800-2	**800-2

Procedure turn S side of crs, 224° Outbnd, 044° Inbnd, 2300' within 10 mi.
Minimum altitude over facility on final approach crs, 2000'; over Autry Int#, 1500'.
Crs and distance, facility to airport, 044°—9.4 mi; fix to airport, 044°—2.6 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 9.4 mi, climb to 2700' on ADM-VOR R-044 within 25 mi.
NOTES: Aircraft not equipped with ADF restricted to landing ceiling minimum of 700'. Weather not available to general public.
*Maintain 1500' until passing Autry Int. If Int not received, landing ceiling minimum is 700'.
**Alternate use for air carrier only.
#Autry Int: Int ADM-VOR R-044 and brng 095° from ADM RBn.

City, Ardmore; State, Okla.; Airport Name, Ardmore Municipal; Elevation, 762'; Fac. Class., BVOR; Ident., ADM; Procedure No. 1, Amdt. 1; Eff. Date, 27 Aug. 60; Sup. Amdt. No. Orig.; Dated, 2 July 60

All directions	PQI VOR	Direct	MEA	T-dn	300-1	300-1	
				C-dn	1000-1	1000-1	
				S-dn	NA	NA	
				A-dn	1000-1	1000-1	

Procedure turn S side of crs, 230° Outbnd, 050° Inbnd, 2500' within 10 miles.
Minimum altitude over facility on final approach crs, 1900'.
Crs and distance, facility to airport, 050°—6.5 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 6.5 miles, make a right climbing turn to the PQI-VOR at 2500'. Hold SW, one minute pattern, right turns.
CAUTION: 825' antenna within 1 mile NW of airport.

City, Caribou; State, Maine; Airport Name, Caribou Municipal; Elev., 623'; Fac. Class., BVOR; Ident., PQI; Procedure No. 1, Amdt. Orig.; Eff. Date, 27 Aug. 60

CP LFR	CRP VOR	Direct	1400	T-dn	300-1	300-1	200-½
				C-dn	700-1	700-1	700-1½
				S-dn	700-1	700-1	700-1
				A-dn	800-2	800-2	800-2

Procedure turn W side of crs, 011° Outbnd, 191° Inbnd, 1400' within 10 mi. Beyond 10 mi NA.
Minimum altitude over facility on final approach crs, 900'.
Crs and distance, facility to airport, 191°-7.9 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 7.9 miles, turn right, climb to 1800' on R-227 CRP-VOR within 20 mi or, when directed by ATC, turn left, climb to 1400' on R-040 within 20 mi.

City, Corpus Christi; State, Tex.; Airport Name, International; Elev., 43'; Fac. Class., BVORTAC; Ident., CRP; Procedure No. 1, Amdt. Orig.; Eff. Date, 27 Aug. 60, or upon cancellation of Amdt. 4, Cliff Maus Airport

All directions	PQI-VOR	Direct	MEA	T-dn	300-1	300-1	200-½
				C-dn	700-1	700-1	700-1½
				S-dn-19	700-1	700-1	700-1
				A-dn*	NA	NA	NA

Procedure turn W side of crs, 001° Outbnd, 181° Inbnd, 2000' within 10 mi.
Minimum altitude over facility on final approach crs, 1500'.
Crs and distance, facility to airport, 181°—4.7 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.7 miles, climb to 2700' on R-181 of PQI-VOR within 15 mi.
*Alternate weather minimums of 800-2 authorized for those who have an approved arrangement for weather at the airport.

City, Presque Isle; State, Maine; Airport Name, Presque Isle Municipal; Elev., 534'; Fac. Class., BVOR; Ident., PQI; Procedure No. 1, Amdt. Orig.; Eff. Date, 27 Aug. 60

VOR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Rockford Int	GEG-VOR	Direct	5500	T-dn	300–1	300–1	200–½
GG LFR	GEG-VOR	Direct	4000	C-d	500–1	500–1	500–1½
Pine City MH	GEG-VOR R-207	309°–14.2	4000	C-n	600–1	600–1	600–1½
Rodna Int	GEG-VOR R-207	347°–11.9	4000	S-dn-3	400–1	400–1	400–1
Harrington FM	GEG-VOR R-207	099° crs to PCD RBn.	4000	A-dn	800–2	800–2	800–2
Int GEG-VOR R-207 and 129° brng to PCD RBn.	GEG-VOR (final)	Direct	3700				

Radar transitions and vectoring utilizing Spokane RADAR authorized in accordance with approved RADAR patterns.
Procedure turn S side of crs, 207° Outbnd, 027° Inbnd, 4000′ within 10 miles.
Minimum altitude over facility on final approach crs, 3700′.
Crs and distance, facility to airport, 027—4.4.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.4 miles, make left climbing turn and climb to 4500′ on R-360 within 20 miles—all turns on W side of R-360 or, when directed by ATC, make left climbing turn and climb to 4500′ on R-300 within 20 miles—all turns W side R-300 or left climbing turn and return to VOR climbing to 4000′.
Major Change: Deletes transition from GEG LOM.

City, Spokane; State, Wash.; Airport Name, Geiger Field; Elev., 2372′; Fac. Class., BVORTAC; Ident., GEG; Procedure No. 1, Amdt. 7; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 6; Dated, 27 June 57

4. The instrument landing system procedures prescribed in § 609.400 are amended to read in part:

ILS STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.
If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
BC LFR	LOM	Direct	2000	T-dn	300–1	300–1	200–½
BFL VOR	LOM	Direct	2000	C-dn	500–1	500–1	500–1½
Maricopa Int	LOM	Direct	3000	S-dn-30#	200–½	200–½	200–½
Grapevine Int	LOM	Direct	5000	A-dn	600–2	600–2	600–2
Wheeler Ridge Int	LOM	Direct	6000				
Whitman Int	LOM	Direct	5000				

Procedure turn *S side SE crs, 119° Outbnd, 299° Inbnd, 2000′ within 10 mi of OM. Beyond 10 mi NA.
Minimum altitude at G.S. int inbnd, 2000′.
Altitude of glide slope and distance to approach end of Runway at OM, 1967′—4.5 mi; at MM, 698′—0.6 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 2000′ on NW crs ILS within 20 miles or, when directed by ATC, (1) climb to 2000′ on R-227 BFL within 15 mi; (2) climb to 2000′ on SW crs BC LFR within 15 mi; (3) climb to 2500′ on NW crs BC LFR within 20 mi.
CAUTION: Numerous unlighted TV receiving antennas in approach areas to runways 25–30–34.
*Procedure turn S side for more favorable terrain.
#400–¾ required with glide slope inoperative.

City, Bakersfield; State, Calif.; Airport Name, Meadows Field; Elev., 515′; Fac. Class., ILS; Ident., BFL; Procedure No. ILS-30, Amdt. 10; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 9; Dated, 26 Mar. 60

OXR-VOR	ILS W crs	057°–18	5000	T-dn#	300–1	300–1	300–1
Saugus Int	LOM	Direct	5000	C-d*	900–1½	900–1½	900–1½
Malibu Int	LOM	Direct	5000	C-n*	900–2	900–2	900–2
Pt. Dume Int	LOM	Direct	5000	S-dn-7	300–¾	300–¾	300–¾
Newhall LFR	LOM	Direct	5000	A-dn	900–2	900–2	900–2
Fillmore VOR	ILS W crs	120°–13	5000				
INT W crs ILS and Fillmore VOR R-120.	LOM (final)	Direct	4600				

Radar transitions and vectoring using Burbank Radar authorized in accordance with approved Radar patterns.
Procedure turn S side of crs, 256° Outbnd, 076° Inbnd, 4600′ within 10 miles of LOM. Beyond 10 mi NA.
Minimum altitude at G.S. int inbnd, 4600′.
Altitude of G.S. and distance to appr end of rnwy at OM, 4600′—11.9 mi; at MM, 1390′—1.7 mi; at LIM, 924′—0.4 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished immediate right turn, climbing to 4600′ on W crs BUR ILS within 10 mi West of LOM or, when directed by ATC, climb to 3000′ on SE crs BUR LFR, turn right, return to LFR climbing to 5000′, or climb to 5000′ on SE crs BUR LFR within 15 mi.
AIR CARRIER NOTES: Sliding scale prohibited below ¾ mi for takeoff on Rnwys 7, 15, 33, and for straight-in landing minima. Sliding scale NA for circling minima.
NOTES: All components of ILS system must be utilized. Nonstandard installation. Localizer antenna at approach end of runway.
CAUTION: High terrain NE and E of airport.
#200–½ authorized for takeoff on Rnwy 25 only.
*Maneuvering NE and E of airport NA.

City, Burbank; State, Calif.; Airport Name, Lockheed Air Terminal; Elev., 764′; Fac. Class., ILS; Ident., BUR; Procedure No. ILS-7, Amdt. 12; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 11; Dated, 7 Dec. 58

Int NW crs ILS and E crs CU LFR	LOM (final)	Direct	2500	T-dn	300–1	300–1	200–½
Int SE crs ILS and SW crs SF LFR	LOM	Direct	2700	C-d	400–1	500–1	500–1½
Int SE crs ILS and R-051 EOS VOR	LOM	Direct	2700	C-n	400–1½	500–1½	500–1½
				S-dn-13	300–¾	300–¾	300–¾
				A-dn	600–2	600–2	600–2

Procedure turn W side NW crs, 310° Outbnd, 130° Inbnd, 2500′ within 10 miles.
Minimum altitude at G.S. int inbnd, 2200′.
Altitude of G.S. and distance to appr end of Rnwy at LOM, 2132′—3.8 mi; at LMM, 1158′—0.5 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 2700′ on SE crs ILS within 20 mi or, when directed by ATC, make left turn, climbing to 2500′ and proceed to LOM.

City, Joplin; State, Mo.; Airport Name, Joplin Municipal; Elev 980′; Fac. Class., ILS; Ident., I-JLN; Procedure No. ILS-13, Amdt. 3; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 2 (ILS portion Comb. ILS-ADF); Dated, 15 Dec. 56

ILS STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Grandby Int*----------	Int# (final)----------	Direct----------	1800	T-dn----------	300–1	300–1	200–½
ILS–LOM----------	Int#----------	Direct----------	2700	C-d----------	500–1	500–1	500–1½
Int NW crs ILS and E crs CU–LFR----	Int#----------	Direct----------	2700	C-n----------	500–1½	500–1½	500–1½
				S-dn-31----------	500–1	500–1	500–1
				A-dn----------	800–2	800–2	800–2

Procedure turn E side SE crs, 130° Outbnd, 310° Inbnd, 2300′ within 10 miles of Int#.
No glide slope. Altitude over Int# 1800. No outer marker, altitude over Int# 1800—dist, 3.7; No middle marker.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.7 miles after passing Int#, climb to 2500′ on NW ILS crs within 20 miles.
NOTE: Procedure authorized only when aircraft equipped to receive ILS and VOR simultaneously.
*Int SW crs SF LFR and R-051 EOS VOR or SE crs JLN localizer.
#Int SE crs ILS and R-351 EOS.

City, Joplin; State, Mo.; Airport Name, Joplin Municipal; Elev., 980′; Fac. Class., ILS; Ident., IJLN; Procedure No. ILS–31, Amdt. 3; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 2; Dated, 15 Dec. 56

Midland VOR----------	LMM----------	Direct----------	4200	T-dn----------	300–1	300–1	*200–½
Midland VOR----------	OM----------	Direct----------	4200	C-dn----------	400–1	500–1	500–1½
Midland LFR----------	OM----------	Direct----------	4000	S-dn-4**----------	200–½	200–½	200–½
Midland LFR----------	LMM----------	Direct----------	4000	A-dn----------	600–2	600–2	600–2
Watson Int#----------	OM----------	Direct----------	4400				

Procedure turn S side SW crs, 223° Outbnd, 043° Inbnd, 4400′ within 10 mi. Beyond 10 mi NA.
Minimum altitude at glide slope int inbnd, 4100′.
Altitude of glide slope and distance to approach end of rny at OM—4010—4.1; at MM—3070—0.6.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished climb to 4400′ on NE crs ILS (043) within 20 mi. or, when directed by ATC, turn right, climb to 4000′ on R–150 within 20 mi. or, when directed by ATC, climb to 4000′ on SE crs MF LFR within 20 mi.
#Int SW crs MAF–ILS and R–095 Wink VOR.
AIR CARRIER NOTE: *300–1 required Runways 16L and 34R.
**400–¾ required when glide slope not utilized.

City, Midland; State, Tex.; Airport Name, Air Terminal; Elev., 2867′; Fac. Class., ILS; Ident., I–MAF; Procedure No. ILS–4, Amdt. 10; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 9; Dated, 25 Oct. 58

Oklahoma City LFR----------	TWO RBn----------	Direct----------	2500	T-dn----------	300–1	300–1	200–½
Oklahoma City VOR----------	TWO RBn----------	Direct----------	2500	C-dn----------	400–1	500–1	500–1½
Oklahoma City LOM----------	TWO RBn----------	Direct----------	2400	S-dn-17----------	300–1	300–1	300–1
Mustang FM----------	TWO RBn----------	Direct----------	2500	A-dn----------	800–2	800–2	800–2
Bethany Int----------	TWO RBn (final)----------	Direct----------	2300				
Edmond Int----------	TWO RBn (final)----------	Direct----------	2300				
*Radar terminal area transition altitudes:		Within:*					
000----------	090----------	25 mi----------	2400				
090----------	180----------	25 mi----------	2500				
180----------	230----------	25 mi----------	2700				
230----------	295----------	35 mi----------	2500				
295#----------	360----------	25 mi----------	#2700				

Procedure turn W side crs, 350° Outbnd, 170° Inbnd, 2500′ within 10 mi. Beyond 10 mi NA.
No glide slope. Altitude over TWO RBn on final, 2300′.
Bearing and distance, TWO RBn to Rnwy 17, 170°—4.0 mi.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.0 miles, climb to 2400′ on S crs ILS within 20 mi or on crs 170° from TWO within 20 mi, or when directed by ATC, turn right, climb to 2500′ direct to OKC–VOR or direct to OC–LFR.
*Azimuths and distances are from antenna site progressing clockwise.
#Radar Control will provide 1000′ vertical clearance within a 3-mi radius or 500′ vertical clearance within a 3–5 mi (inclusive) radius of towers 2127′ MSL and 2726′ MSL 9 mi NW of antenna site.

City, Oklahoma City; State, Okla.; Airport Name, Will Rogers; Elev., 1284′; Fac. Class., ILS; Ident., I–OKC; Procedure No. ILS–17, Amdt. 5; Eff. Date, 27 Aug. 60; Sup. Amdt. No. 4; Dated, 9 July 60

These procedures shall become effective on the dates indicated on the procedures.

(Secs. 313(a), 307(c), 72 Stat. 752, 749; 49 U.S.C. 1354(a), 1348(c))

Issued in Washington, D.C., on July 28, 1960.

B. PUTNAM,
Acting Director, Bureau of Flight Standards.

[F.R. Doc. 60–7208; Filed, Aug. 12, 1960; 8:45 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

PART 121—FOOD ADDITIVES

Subpart A—Definitions and Procedural and Interpretative Regulations

EXTENSION OF EFFECTIVE DATE OF STATUTE FOR CERTAIN SPECIFIED FOOD ADDITIVES; SYNTHETIC FLAVORING SUBSTANCES AND ADJUNCTS

The Commissioner of Food and Drugs, pursuant to the authority provided in the Federal Food, Drug, and Cosmetic Act (sec. 6(c), Public Law 85-929; 72 Stat. 1788; 21 U.S.C., note under sec. 342) and delegated to him by the Secretary of Health, Education, and Welfare (23 F.R. 9500, 25 F.R. 5611) hereby authorizes the use in foods of the following substances under the conditions prescribed in this order:

Section 121.86 is amended by adding thereto the following items, under the heading Synthetic Flavoring Substances:

§ 121.86 Extension of effective date of statute for certain specified food additives as direct additives to food.

On the basis of data supplied in accordance with § 121.85 and findings that no undue risk to the public health is involved and that conditions exist that make necessary the prescribing of an additional period of time for obtaining tolerances or for granting exemptions from tolerances, the following additives may be used in food, under certain specified conditions, for a period of 1 year from March 1, 1960, or until regulations shall have been issued establishing or denying tolerances or exemptions from the requirement of tolerances, in accordance with section 409 of the act, whichever occurs first:

SYNTHETIC FLAVORING SUBSTANCES AND ADJUNCTS

(Used in accordance with good manufacturing practices)

Acetal (acetaldehyde diethylacetal).
Acetanisole (*p*-acetyl anisole, *p*-methoxy acetophenone).
Acetol acetate (1-acetoxy-2-propanone, hydroxy acetone acetate).
Acetophenone (phenyl methyl ketone).
Acetyl *N*-butyryl (hexan-2,3-dione).
Acetyl *iso*-butyryl (4-methyl-pentane-2,3-dione).
Acetyl *iso*-eugenol (*iso*-eugenol acetate, 3-methoxy-4-acetoxy-propenyl-1-benzene).
Acetylnonyryl (undecan-2,3-dione).
Acetyl propionyl (pentane-2,3-dione).
Acetyltributyl citrate.
Acetylvaleryl (heptan-2,3-dione).
Acetylvanillin.
Adipic acid.
Allyl anthranilate.
Allyl butyrate.
Allyl caproate (2-propenyl hexanoate, allyl hexanoate).
Allyl caprylate.
Allyl cinnamate.
Allyl cyclohexyl acetate.
Allyl cyclohexyl butyrate.
Allyl cyclohexyl caproate.
Allyl cyclohexyl propionate.
Allyl cyclohexyl valerate.
Allyl-2-ethyl butyrate.
Allyl furoate.
Allyl heptylate (allyl heptoate, allyl oenanthate, allyl heptanoate).
Allyl hexadienoate (allyl sorbate).
Allyl ionone.
Allyl mercaptan.
Allyl nonate (allyl pelargonate, allyl nonylate, allyl nonanoate).
Allyl phenoxyacetate.
Allyl phenylacetate.
Allyl propionate.
Allyl *iso*-thiccyanate (mustard oil).
Allyl tiglate.
Allyl undecylate.
Allyl *iso*-valerate.
Ambrettolide (hexadecen-6-olide).
Ammonium *iso*-valerate (ammonium valerianate).
iso-Amyl acetate (amyl acetate, β-methyl butyl acetate).
n-Amyl alcohol (1-pentanol).
iso-Amyl alcohol.
iso-Amyl benzoate.
iso-Amyl benzyl ether.
n-Amyl butyrate.
iso-Amyl butyrate.
n-Amyl caproate.
iso-Amyl caproate.
n-Amyl caprylate (*n*-amyl octoate).
iso-Amyl caprylate (*iso*-amyl octoate).
iso-Amyl cinnamate.
Amyl cinnamic aldehyde (α-*n*-amyl-β-phenylacrolein).
α-Amyl cinnamic aldehyde (dimethyl acetal).
α-(*n*-Amyl) cinnamyl acetate.
α-Amyl cinnamyl alcohol.
α-Amyl cinnamyl formate.
α-Amyl cinnamyl *iso*-valerate.
Amyl *p*-cresyl ether (amyl *p*-cresol).
iso-Amyl ether.
n-Amyl formate.
iso-Amyl formate.
α-*iso*-Amyl furfurylacetate.
α-*iso*-Amyl furfurylacrylate.
α-*iso*-Amyl furfurylpropionate.
Amyl furoate.
Amyl heptoate (amyl oenanthate, amyl heptylate).
iso-Amyl laurate.
iso-Amyl pelargonate (amyl nonylate, nonate).
iso-Amyl phenylacetate.
iso-Amyl propionate.
iso-Amyl pyruvate.
iso-Amyl salicylate (*iso*-amyl *o*-hydroxybenzoate, orchidae).
iso-Amyl *iso*-valerate.
Anisaldehyde (*p*-methoxybenzaldehyde, aubepine liquid).
Anisole (methylphenyl ether, methoxybenzene).
Anisyl acetate (*p*-methoxybenzyl acetate).
Anisyl alcohol (*p*-methoxybenzyl alcohol, anisic alcohol).
Anisyl *N*-butyrate.
Anisyl formate.
Anisyl propionate.
Benzaldehyde dimethyl acetal.
Benzaldehyde propylene glycol acetal.
Benzal glyceryl acetal.
Benzilidene methyl acetone (3-methyl-4-phenylbut-3-*en*-2-one).
Benzodihydropyrone (dihydrocoumarin).
Benzoin.
Benzophenone (diphenyl ketone, benzoylbenzene).
Benzyl acetate (benzyl ethanoate).
Benzyl acetoacetate (benzyl acetyl acetate).
Benzylacetone (benzilidene acetone, methyl styryl ketone).
Benzyl alcohol (phenyl carbinol).
Benzyl benzoate (benzyl benzene carboxylate, benzyl phenyl formate).
Benzyl butyrate (benzyl butanoate).
Benzyl *iso*-butyrate (benzyl 2-methyl propanoate).
Benzyl cinnamate (cinnamein, benzyl β-phenylacrylate).
Benzyl dipropyl ketone (morellone).
Benzylethyl alcohol.
Benzylethyl ether.
Benzyl *iso*-eugenol (*iso*-eugenol benzyl ether, 1-benzyloxy-2-methoxy-4-propenylbenzene).
Benzyl formate (benzyl methanoate).
Benzyl mercaptan.
Benzyl methoxyethyl acetal.
Benzyl methyl tiglate.
Benzyl phenylacetate.
Benzyl propionate (benzyl propanoate).
Benzylpropyl acetate (dimethyl benzyl carbinyl acetate).
Benzyl salicylate (benzyl *o*-hydroxybenzoate).
Benzyl *iso*-valerate (benzyl valerianate).
Borneol (bornyl alcohol, 2-hydroxy-camphane, borneocamphor).
iso-Borneol.
iso-Bornyl acetate.
Bornyl *iso*-valerate.
n-Butanol.
iso-Butanol.
Butter acids.
Butter esters.
n-Butyl acetate.
iso-Butyl acetate.
n-Butyl acetoacetate.
iso-Butyl acetoacetate
n-Butyl anthranilate.
iso-Butyl anthranilate.
iso-Butyl benzoate.
iso-Butyl benzyl carbinol.
Butyl benzyl ether.
n-Butyl butyrate.
iso-Butyl butyrate.
iso-Butyl *iso*-butyrate.
n-Butyl *iso*-butyrate.
Butyl butyryl lactate.
n-Butyl caproate.
iso-Butyl caproate.
n-Butyl cinnamate.
iso-Butyl cinnamate.
β-(*n*-Butyl) cinnamic aldehyde.
n-Butyl decylenate.
n-Butyl formate.
iso-Butyl formate.
iso-Butyl furyl propionate.
Butyl heptylate (butyl oenanthate).
Butyl *p*-hydroxybenzoate (butyl parasept).
n-Butyl lactate.
n-Butyl laurate.
n-Butyl levulinate.
p-tert-Butyl methyl phenylacetate.
Butyl oleate.
n-Butyl phenylacetate.
iso-Butyl phenylacetate.
n-Butyl propionate.
iso-Butyl propionate.
6-*iso*-Butyl quinoline.
tert-Butyl quinoline.
iso-Butyl salicylate.
Butyl stearate.
n-Butyl stearate.
Butyl undecylenate.
Butyl valerate.
n-Butyl *iso*-valerate.
n-Butyraldehyde (butanal).
iso-Butyraldehyde (2-methyl propanal).
iso-Butyric acid (2-methyl propanoic acid).
Butyroin.
Camphene (3,3-dimethyl-2-methylenenorcamphane).
Caryophyllene.
Carvacrol (2-hydroxy-*p*-cymene, 2-methyl-5-isopropylphenol, 2-*p*-cymenol, cymophenol).
Carveol.
Carvomenthol (hexahydrocarvacrol, tetrahydrocarveol).
Carvyl acetate.
Carvyl propionate.
Cedryl acetate.
Cinnamaldehyde ethyleneglycol acetal (cinncloval).
Cinnamic acid.
Cinnamyl acetate (3-phenyl-2-propenyl acetate, styrylacetate, γ-phenyl-allyl acetate).
Cinnamyl alcohol (cinnamic alcohol, styryl carbinol, 3-phenylpropen-2-ol-1).
Cinnamyl anthranilate.

Cinnamyl butyrate.
Cinnamyl *iso*-butyrate.
Cinnamyl cinnamate (styracin, phenylallyl cinnamate).
Cinnamyl formate.
Cinnamyl phenylacetate.
Cinnamyl propionate (γ-phenylallyl propionate, 3-phenyl-2-propenyl-propanoate).
Cinnamyl *iso*-valerate (cinnamyl valerianate).
Citraconic acid (*cis*-methyl butene dioic acid, methyl maleic acid).
Citral diethyl acetal.
Citral dimethyl acetal.
Citronellal (2,6-dimethyl-octen-2-al-8, rhodinol).
d-Citronellol (2,6-dimethyl-octene-1-ol-8).
l-Citronellol (2,6-dimethyl-octene-2-ol-8).
Citronellyl acetate (2,6-dimethyl-octen-(1 or 2)-ol-8-acetate).
Citronellyl butyrate (2,6-dimethyl-octen-(1 or 2)-ol-8-butyrate).
Citronellyl *iso*-butyrate.
Citronellyl formate (2,6-dimethyl-octen-(1 or 2)-ol-8-methanoate).
Citronellyl oxyacetaldehyde.
Citronellyl phenylacetate.
Citronellyl propionate.
Citronellyl valerate.
p-Cresol.
o-Cresyl acetate (*o*-tolyl acetate).
p-Cresyl acetate.
p-Cresyl isobutyrate.
m-Cresyl phenylacetate.
p-Cresyl phenylacetate.
m-Cresyl phenyl ether.
p-Cresyl salicylate.
Cuminal (*p*-isopropyl benzaldehyde, cuminic aldehyde).
Cuminic alcohol (cumin alcohol).
Cuminyl acetaldehyde.
Cyclamen aldehyde (methyl *p*-isopropyl phenylpropyl aldehyde, *p*-isopropyl α-methyl hydrocinnamic aldehyde, cyclamal).
iso-Cyclocitral.
Cyclohexyl acetate.
Cyclohexyl acetic acid.
Cyclohexyl anthranilate.
Cyclohexyl *n*-butyrate.
Cyclohexyl cinnamate.
Cyclohexylethyl acetate.
Cyclohexyl formate.
Cyclohexyl methyl ether.
Cyclohexyl propionate.
Cyclohexyl *iso*-valerate (cyclohexyl valerianate).
Cyclopentanone, acetylated.
Cyclopentenyl methyl acetate.
p-Cymene (cymene, cymol).
γ-Decalactone.
δ-Decalactone.
Decanal dimethyl acetal.
Decanoic acid (capric acid, *n*-decylic acid).
n-Decanol (*n*-decyl alcohol, decanol-1, decylic alcohol, alcohol C-10).
n-2-Decanal 1 (*n*-decene.2-al-1, *n*-1-decenaldehyde, *n*-1-decylenic aldehyde).
n-Decyl acetate (decanol acetate, acetate C-10).
iso-Decaldehyde (2,6-dimenthyl octanal).
Decyl *n*-butyrate.
n-Decyl propionate.
Diallyl disulfide (thioallyl ether).
Diacetyl monoxime (methyl *iso*-nitrosoethyl ketone).
Diallyl sulfide.
Dibenzyl ether.
Dibenzyl ketone.
Dibutyl butyrolactone.
Dibutyl sebacate (butyl sebacate).
Dibutyl sulfide.
Diethyl anthranilate.
Diethyl malate (ethyl malate).
Diethyl hydroquinone.
Diethyl maleate.
Diethyl malonate (malonic ester, ethyl malonate).
Diethyl sebacate.
Diethyl succinate (ethyl succinate).
Diglycol laurate (diethylene glycol monolaurate).
Dihydrocarveol (*p*-menth-8(9)-en-2-ol, 1-methyl-4-isopropenyl-cyclohexan-2-ol).
Dihydrocarveol acetate (*p*-menth-8(9)-en-2-ol-acetate, 1-methyl-4-isopropenyl-cyclohexan-2-ol-acetate).
1,4-Dimethoxybenzene (hydroquinone dimethyl ether).
Dimethyl acetophenone (2,4-dimethyl acetophenone).
Dimethyl anthranilate (2-methylamino methyl benzoate, *N*-methyl methyl anthranilate).
Dimethyl benzyl carbinol.
2,6-Dimethyl hepten-2-al-7.
Dimethylhydroquinone.
2,6-Dimethyl octanol-8 (geraniol tetrahydride).
Dimethyl phenylethyl carbinyl acetate.
Dimethyl resorcinol.
Dimethyl succinate.
Dimethyl sulfide (methyl sulfide).
Dipropyl ketone.
Ditetrahydrofurfuryl phthalate.
Δ-Dodecalactone.
n-Dodecanal (lauric aldehyde, aldehyde C-12).
2-Dodecanal-1 (*n*-2-dodecen-1-al, *n*-1-dodecenaldehyde, *n*-1-dodecylenic aldehyde, *n*-dodecene-2-al-1).
n-Dodecyl alcohol (dodecanol-1, lauryl alcohol, alcohol C-12).
p-Ethoxy benzaldehyde.
Ethyl abietate, purified.
Ethyl acetoacetate (acetoacetic ester).
Ethyl acrylate.
Ethyl *n*-amyl ketone (octanone-3).
Ethyl anisate.
Ethyl anthranilate.
Ethyl benzoate (ethyl bemzene-carboxylate).
Ethyl benzoylacetate.
Ethyl benzyl acetoacetate.
α-Ethyl-β-butyl acrolein.
Ethyl butyl ketone (heptanone-3).
Ethyl *n*-butyl malonate.
2-Ethyl butyraldehyde.
Ethyl *iso*-butyrate.
Ethylbutyro lactone.
Ethyl caprylate (ethyl octanoate).
Ethyl cinnamate (ethyl 3-phenyl propenoate).
Ethyl cyclohexyl glycidate.
Ethyl cyclohexyl propionate.
Ethyl decylate (ethyl caprate).
Ethyl *iso*-eugenol.
Ethyl formate.
α-Ethyl furyl acrolein.
Ethyl furylpropionate (ethyl furfuryl hydracrylate).
Ethyl guaiacol (1-ethyl-3-methoxy-4-hydroxybenzene).
Ethyl heptanoate (ethyl oenanthate, ethyl *n*-heptylate, ethyl oenanthylate).
Ethyl hexadienoate (ethyl sorbate).
Ethyl hexanoate (ethyl caproate, capronic ether absolute).
Ethyl hydrocinnamate (ethyl phenylpropionate).
Ethyl lactate.
Ethyl laurate.
Ethyl levulinate.
Ethyl α-methylacetoacetate.
Ethyl β-methyl-β-amyl glycidate.
Ethyl methyl anthranilate.
Ethyl methyl *p*-tolyl glycidate.
Ethyl myristate.
Ethyl nitrite spirit (spirit of nitrous ether, sweet spirit of nitre).
2-Ethyl γ-nonalactone (lactone 100230 Geneva).
Ethyl nonanoate (ethyl pelargonate, ethyl *n*-nonoate).
Ethyl oleate.
Ethyl oxyhydrate (rum ether, principal component ethyl *n*-butyrate (q.v.)).
Ethyl phenylacetate.
Ethylphenylbutyrate.
Ethylphenyl glycidate.
Ethyl propionate.
Ethyl pyruvate.
Ethyl salicylate.
Ethyl sebacate.
Ethyl stearate.
Ethyl *p*-tolyl gylcidate.
Ethyl undecylenate.
Ethyl *iso*-valerate (ethyl β-methylbutyrate, ethyl *iso*-valerianate).
Ethyl *n*-valerate.
Ethylene glycol monobutyl ether acetate.
Ethylene glycol monomethyl ether.
Eucalyptol (cineol).
iso-Eugenol (4-propenylguaiacol).
Eugenol acetate (acetyl eugenol).
Eugenol *iso*-amyl ether.
Eugenol benzoate.
Eugenol formate.
iso-Eugenol formate.
iso-Eugenol phenylacetate.
Farnesol.
d-Fenchone (*d*-1,3,3-trimethyl-2-norcamphanone).
Fenchyl alcohol.
Formic acid.
Furfuryl acetate.
Furfuryl alcohol (α-furyl carbinol).
Furfuryl mercaptan.
Furfurylidene acetone (furfural-acetone, 4 (2-furyl)-3-butene-2-one).
Furyl acetone.
Furyl acrolein.
Furyl ketone.
Fusel oil, refined (amyl alcohols).
Geranyl acetoacetate.
Geranyl benzoate.
Geranyl *iso*-butyrate.
Geranyl *n*-butyrate.
Geranyl caproate.
Geranyl ethylether.
Geranyl formate.
Geranyl phenylacetate.
Geranyl propionate.
Geranyl *iso*-valerate.
Glucose penta-acetate.
Glycol brassylate.
Glycolic acid (hydroxyacetic acid).
Guaiacol (*o*-methoxyphenol).
Guaiacyl phenylacetate.
Guaiol acetate.
Guaiol butyrate.
γ-Heptalactone.
n-Heptaldehyde (heptanal, *n*-heptyl aldehyde, oenanthaldehyde, aldehyde C-7).
n-Heptaldehyde-2,3-butylene glycol acetal.
Heptanone-2 (methyl *n*-amyl ketone, ketone C-7).
Heptyl acetate.
n-Heptyl alcohol (heptanol-1, alcohol C-7).
Heptyl *n*-butyrate.
Heptyl *iso*-butyrate.
Heptyl cinnamate (oenanthyl cinnamate).
Heptyl formate.
Heptyl octanoate (heptyl caprylate).
n-Hexanal (*n*-hexaldehyde, *n*-caproic aldehyde, *n*-hexoic aldehyde, caproaldehyde).
Hexanoic acid (*n*-caproic acid, *n*-hexoic acid).
n-Hexanol (*n*-hexyl alcohol).
2-Hexanal (2-hexen-1-al).
2-Hexen-1-ol.
3-Hexen-1-ol.
2-Hexenyl acetate.
Hexyl acetate.
Hexyl butyrate.
Hexyl caproate.
α-Hexyl cinnamic aldehyde.
Hexyl formate.
Hexyl furoate.
Hexyl octanoate (hexyl caprylate).
Hexyl propionate.
Hydratropic alcohol.
Hydratropic aldehyde dimethyl acetal.
Hydratropyl butyrate (α-phenylpropyl alcohol, butyric ester).
Hydrocinnamic acid (phenyl propionic acid).
p-Hydroxybenzylacetone.
Hydroxycitronellal.
Hydroxycitronellal diethyl acetal.
Hydroxycitronellal dimethyl acetal.

Hydroxycitronellal and methyl anthranilate (base product).
Hydroxycitronellol.
14-Hydroxytetradecanoic acid (cyclopentadecanolide).
Indole (benzopyrrole).
α-Ionone.
β-Ionone.
Irisone ketone (*bis*).
α-Irone (6-methyl ionone).
Isopropyl acetate.
p-Isopropyl acetophenone.
Isopropyl alcohol.
Isopropyl *n*-butyrate.
Isopropyl *iso*-butyrate.
Isopropyl caproate.
Isopropyl cinnamate.
Isopropyl formate.
Isopropyl phenylacetate.
Isopropyl propionate.
Isopropyl quinoline.
Isopropyl *iso*-valerate.
Lauric acid.
Lauryl acetate (*n*-dodecyl acetate, dodecanol acetate, acetate C-12).
Levulinic acid (acetopropionic acid).
Linalyl anthranilate.
Linalyl benzoate.
Linalyl butyrate.
Linalyl *iso*-butyrate.
Linalyl caprylate.
Linalyl cinnamate.
Linalyl formate.
Linalyl propionate.
Linalyl *iso*-valerate (linalyl valerianate).
Maleic acid.
Malonic acid.
Maltol (3-hydroxy-2-methyl-4-pyrone, 3-hydroxy-2-methyl-γ-pyrone, larixinic acid).
1,8-*p*-Menthadien-7-ol (1-hydroxy-methyl-4-isopropenyl-1-cyclohexene, perillyl alcohol).
Menthol (hexahydrothymol, 3-*p*-menthanol, 5-methyl-2-isopropyl-hexahydrophenol).
d-neo-Menthol (5-methyl-2-isobutyl-hexahydrophenol).
Menthone (*p*-menthanone).
Menthyl acetate.
Menthyl *iso*-valerate.
Methallyl butyrate.
o-Methoxy methyl benzoate.
2-Methoxy-4-methyl phenol (4-methyl guaiacol, creosol, 2-methoxy-*p*-creosol, 4-hydroxy-3-methoxy-1-methylbenzene).
1-(*p*-Methoxyphenyl)-2-propanone (anisyl methyl ketone, *p*-methoxy phenylacetone).
4-(*p*-Methoxyphenyl) butanone-2 (anisyl acetone).
1-(*p*-Methoxyphenyl) penten-1-one-3 (α methyl anisylidene acetone, ethone).
p-Methoxytoluene (1-cresyl methyl ether, 4-methoxytoluene, methyl benzyl ether).
Methyl acetate.
p-Methyl acetophenone (methyl *p*-tolyl ketone, *p*-acetyl toluene, 1-methyl-4-acetyl benzene).
Methyl anisate.
Methyl benzoate (oil of niobe).
Methyl benzyl acetate.
α-Methyl benzyl acetone.
p-Methyl benzyl acetone.
α-Methyl benzyl alcohol (methyl phenylcarbinol, 1-phenylethanol).
Methyl *iso*-butyl ketone.
2-Methyl butyraldehyde.
Methyl *n*-butyrate.
Methyl *iso*-butyrate.
Methyl cetine carbinate (methyl 2-heptadecenoate).
Methyl chavicol (chavicol methyl ether, *p*-methoxyallylbenzent, *p*-allylanisole, estragole, esdragol).
Methyl cinnamate.
α-Methyl cinnamic aldehyde.
3-Methyl coumarin.
6-Methyl coumarin.
Methyl *o*-cresyl ether (methyl *o*-tolyl ether, *o*-cresyl methyl ether, 2-methoxytoluene).
Methyl *p*-cresyl ether.
1-Methylcyclopentadione-2, 3 (methylcyclopentenolone).
1-Methyl-1-cyclopentene-2-ol-3-one butyrate (2-hydroxy 3-menthyl 2-cyclopenten-1-one butyrate).
1-Methyl-1-cyclopentene-2-ol-3-one isovalerate (2-hydroxy 3-methyl 2-cyclopentene-1-one isovalerate).
Methyl decyne carbonate (methyl 2-decynoate).
Methyl dihydroabietate.
6-Methyl benzodihydropyrone (6-methyl dihydrocoumarin, methyl melilotine).
Methyl-3, 4-dimethyl-2, 3-epoxy-4-hexenoate (strawberry aldehyde derivative).
4-Methyl-7-ethoxy-benzopyrone (4-methyl-7-ethoxycoumarin).
Methylethyl acetaledehyde (2-menthyl butanal-1).
Methylethyl ketone.
Methyl eugenol (eugenol methyl ether, 1-2-dimethoxy-4-allylbenzene).
Methyl *iso*-eugenol.
5-Methyl furfural.
Methyl furoate.
α-Methyl furyl acrolein.
Methyl heptenone (6-methyl-5-hepten-2-one).
Methyl heptine carbonate) methyl-2-heptyneoate).
Methyl heptylate (methyl oenanthate).
Methyl heptyl ketone (nonanone-2).
Methyl hexanoate (methyl caproate).
Methyl-2-hexenoate.
Methyl hexyl acetaldehyde.
Methyl hexyl ketone.
p-Methyl hydrotropic aldehyde.
Methyl *p*-hydroxybenzoate.
Methyl α-ionone (α-cetone).
Methyl-δ-ionone.
Methyl-γ-ionone.
Methyl-δ-ionone.
α-Methyl *iso*-ionone.
Methyl laurate.
Methyl mercaptan.
Methyl-4-methyl-pentanoic acid (methyl-*iso*-caproate, methyl *iso*-butylacetate).
1-Methyl-4(4-methyl-3 pentenyl)-1,2,3,6-tetrahydrobenzaldehyde (1-methyl-4-isohexenyl-Δ-3-tetrahydrobenzaldehyde).
Methyl-β-methylthiopropionate (methyl-β-methyl mercaptopropionate).
Methyl myristate.
Methyl-α-naphthyl ketone.
Methyl-β-naphthyl ketone.
Methyl nonyl acetaldehyde (aldehyde C-12).
Methyl nonyl ketone (undecanone 2).
Methyl nonylen-2-ate.
Methyl octanoate (methyl caprylate).
Methyl octyne carbonate (methyl 2-octynoate).
Methyl pelargonate.
2-Methyl pentanoic acid.
Methyl phenylacetate (methyl-α-toluate).
Methyl phenyl butanone.
Methyl phenyl butyrate.
Methyl phenyl glycidate.
Methyl phenyl methyl glycidate.
Methyl phenyl propionate.
Methyl propionate.
Methyl *N*-propyl ketone.
p-Methyl quinoline.
β-Methylthiopropionaldehyde (methylmercaptopropionaldehyde, methional).
Methyl undecylenate.
Methyl undecyl ketone.
Methyl *iso*-valerate.
Methyl vanillyl ketone.
Methylol methyl amyl ketone (ketone alcohol).
Methylol methyl hexyl ketone acetate (ketone alcohol ester).
Musk ambrette (2,6-dinitro-1-methyl-4-*tert*-butyl-3-methoxy-benzene).
Musk ketone (4,6-dinitro-1,3-dimethyl-5-*tert*-butyl-2-acetyl benzene).
Musk tibetine (2,6-dinitro-3,4,5-trimethyl-1-*tert*-butyl benzene).
Musk xylol (2,4,6-trinitro-1,3-methyl-5-*tert*-butyl benzene).
Myrcene (7-methyl-3-methylene-1,6-octadiene).
β-Naphthyl anthranilate.
β-Naphthyl *iso*-butyl ether.
β-Naphthyl ethyl ether (nerolin, ethyl-2-naphthyl ether).
β-Naphthyl methyl ether (yara-yara).
Nerol.
Nerolidol.
Neryl acetate.
Neryl butyrate.
Neryl *iso*-butyrate.
Neryl formate.
Neryl propionate.
Neryl *iso*-valerate.
Nonanal (pelargonaldehyde, pelargonic aldehyde, aldehyde C-9).
Nonanediol 1,3-acetate, mixed esters (octyl crotonyl acetate, hexylene glycol diacetate, jasmonyl).
n-Nonoic acid (pelargonic acid, nonanoic acid).
n-Nonyl acetate (nonanol acetate, acetate C-9).
n-Nonyl alcohol (nonanol-1, alcohol C-9).
γ-Nonyl lactone (γ-*n*-amyl butyrolactone, aldehyde C-18).
Nonyl octanoate (nonyl caprylate).
n-Nonyl *iso*-valerate.
γ-Octalactone.
Octanal (caprylaldehyde, caprylic aldehyde, *n*-octaldehyde, aldehyde C-8).
Octanal dimethyl acetal (dimethoxy-octane, C-8 dimethylacetal).
Octanoic acid (caprylic acid, *n*-octoic acid).
1-Octanol (*n*-octanol, heptyl carbinol, *pri-n*-octyl alcohol, alcohol C-8).
2-Octanol (*n*-octyl alcohol, methyl hexyl carbinol, capryl alcohol).
n-Octyl acetate (2-ethyl hexyl acetate, acetate C-8).
n-Octyl butyrate.
n-Octyl *iso*-butyrate.
n-Octyl caprylate.
n-Octyl formate.
n-Octyl heptylate.
n-Octyl phenylacetate.
n-Octyl propionate.
n-Octyl salicylate.
n-Octyl *iso*-valerate.
n-Pelargonyl morpholide.
Pentadecanolide (angelica lactone).
iso-Pentaldehyde.
Perillyl acetate.
α-Phellandrene (*p*-menthadiene-1,5).
Phenoxyacetic acid.
Phenoxyethyl *iso*-butyrate.
Phenylacetaldehyde.
2,3-Butylene glycol acetal.
Phenylacetaldehyde dimethyl acetal.
Phenylacetic acid (α-toluic acid).
Phenyl dimethyl carbinyl *iso*-butyrate.
Phenylethyl acetate (β-phenylthyl acetate, benzyl carbinyl acetate).
Phenylethyl alcohol (β-phenylethyl alcohol, benzyl carbinol).
α-Phenylethyl alcohol (methyl phenyl carbinol).
Phenylethyl anthranilate.
Phenylethyl benzoate.
Phenylethyl butyrate.
Phenylethyl *iso*-butyrate.
Phenylethyl carbinol.
Phenylethyl cinnamate.
Phenylethyl dimethyl carbinyl *iso*-butyrate.
Phenylethyl formate.
β-Phenylethyl furoate.
Phenylethyl methyl carbinol.
Phenylethyl methyl carbinol acetate.
Phenylethyl methyl ethyl carbinol.
Phenylethyl phenyl acetate.
Phenylethyl propionate.
Phenylethyl *n*-proply acetal.
Phenylethyl salicylate.
Phenylethyl tiglate.
Phenylethyl *iso*-valerate.
Phenyl methyl carbinol (styryl alcohol).
α-Phenylpropionaldehyde (hydratropyl aldehyde, α-methyl phenyl acetaldehyde, α-methyl tolualdehyde).
β-Phenylpropionaldehyde (phenyl propyl aldehyde, hydrocinnamaldehyde, hydrocinnamic aldehyde, benzylacetaldehyde).

Phenylpropyl acetate (hydrocinnamyl acetate).
Phenyl *n*-propyl alcohol (hydrocinnamic alcohol).
3-Phenylpropyl butyrate.
α-Phenylpropyl butyrate.
Phenylpropyl *iso*-butyrate.
Phenylpropyl caproate.
Phenylpropyl cinnamate.
Phenylpropyl formate.
Phenylpropyl propionate.
Phenylpropyl *iso*-valerate.
Phenyl salicylate.
Phthalide (1(3)-*iso*-benzofuranone, α-hydroxy-*o*-toluic acid lactone).
α-Pinene.
β-Pinene.
Piperine.
δ-Piperitone (1-*p*-menthen-3-one, 1-methyl-4-isopropyl-1-cyclohexene-3-one).
Piperonyl acetate (heliotropyl-acetate).
Piperonyl acetone.
Piperonyl *iso*-butyrate.
Polycyclic musk.
Propanal (propionic aldehyde).
Propenyl guaethol (hydroxymethyl anethole).
Propionaldehyde, hydrogen sulfide reaction product.
n-Propyl acetate.
n-Propyl alcohol.
p-Propyl anisole (dihydroanethole, propyl methoxybenzene).
n-Propyl benzoate.
n-Propyl butyrate.
n-Propyl *iso*-butyrate.
n-Propyl caproate.
n-Propyl cinnamate.
n-Propyl formate.
Propyl furoate.
Propyl furylacrylate.
n-Propyl heptylate
n-Propyl *p*-hydroxybenzoate.
Propyl mercaptan (propyl thiol).
n-Propyl phenylacetate.
Propyl propionate.
n-Propyl propionate.
n-Propyl *iso*-valerate.
Propylene glycol stearate.
iso-Pulegol.
iso-Pulegol acetate.
Pulegone (Δ-4(8)-*p*-menthen-3-one, 1-methyl-4-isopropylidene-cyclohexan-3-one).
iso-Pulegone (Δ-8(9)-*p*-menthen-3-one, 1-methyl-4-isopropenyl-cyclohexan-3-one).
Pyrazine.
Pyridine.
Pyruvic acid (pyro-racemic acid).
Pyruvic aldehyde (methyl glyoxal).
iso-Quinoline.
Resorcinol dimethyl ether (1,3-dimethoxybenzene).
Rhodinyl acetate.
Rhodinyl butyrate.
Rhodinyl *iso*-butyrate.
Rhodinyl formate.
Rhodinyl phenylacetate.
Rhodinyl propionate.
Rhodinyl *iso*-valerate.
Salicylic aldehyde (*o*-hydroxybenzaldehyde).
Santalol.
Santalyl acetate.
Santalyl phenylacetate.
Skatole (β-methylindole, 3-methylindole).
γ-Stearolactone.
Styralyl acetate (methyl phenylcarbinyl acetate).
Styralyl benzylic ether (methyl phenylcarbinyl benzylic ether).
Styralyl butyrate (methyl phenylcarbinyl butyrate).
Styralyl formate (methyl phenylcarbinyl formate).
Styralyl propionate (methyl phenylcarbinyl propionate).
Terpine-4-ol (1-*p*-menthen-4-ol, 1-methyl-4-isopropyl-1-cyclohexene-4-ol, terpineneol-(4)).
α-Terpineol (terpineol).
Terpinolene (1,4(8)-terpadiene).
Terpinyl acetate.
Terpinyl anthranilate.
Terpinyl butyrate.
Terpinyl *iso*-butyrate.
Terpinyl cinnamate.
Terpinyl formate.
Terpinyl propionate.
Terpinyl *iso*-valerate.
Tetradecanoic acid (myristic acid).
n-Tetradecyl aldehyde (myristinaldehyde, tetradecanal, aldehyde C-14).
Tetrahydrofurfuryl acetate.
Tetrahydrofurfuryl alcohol.
Tetrahydrofurfuryl butyrate.
Tetrahydrofurfuryl propionate.
Tetrahydro-*pseudo*-ionone.
Tetrahydrolinalool.
1,2,3,4-Tetrahydro-6-methylquinoline (tetrahydro *p*-toluquinoline, tetrahydro *p*-methylquinoline).
3,4,5,6-Tetrahydropyronyl-2-methyl acetate.
Thienyl mercaptan.
Thymol.
iso-Thymol.
Tolualdehydes, mixed, *o*, *m*, *p*.
Tolualdehyde glyceryl acetal, mixed, *o*, *m*, *p*.
Tricarballylic acid (1,2,3-propane tricarboxylic acid).
Trichloromethyl phenyl carbinyl acetate.
Triethyl citrate (ethyl citrate).
Triethyl *o*-formate.
2,6,6-Trimethyl-bicyclo-(1,1,3)-hepten-2-one-4 (verbenone).
Trimethyl cyclohexanol (3,3,5-trimethyl-cyclohexanol-1).
Trimethyl cyclohexanyl salicylate.
γ-Undecalactone (γ-undecyl lactone, γ-*n*-heptyl butyrolactone, aldehyde C-14, peach aldehyde).
Undecenyl acetate (10-hendecenyl acetate, undecene-1-ol-11-acetate, undecylenic acetate).
n-Undecyl alcohol (undecanol-1, undecylic C-11).
Undecylenic aldehyde (aldehyde C-11).
Undecylic aldehyde (undecanal).
Valeraldehyde.
Valeraldehyde and hydrogen sulfide, reaction product.
n-Valeric acid (pentanoic acid).
iso-Valeric acid (β-methyl butyric acid, valerianic acid, active valeric acid).
iso-Valeric aldehyde (2-methyl butanal-4).
γ-Valerolactone (3-methylbutyrolactone, 3-valerolactone).
-Valerolactone (4-valerolactone, tetrahydro-α-pyrone, tetrahydrocoumalin).
iso-Valerophenone (phenyl *iso*-butyl ketone).
Vanillylidene acetone.
Veratraldehyde (vanillin methyl ether).
Vetiverol (vetivenol, vetivol).
Vetiveryl acetate (vetivenyl acetate, vetiverol acetate, vetacetyl).
Vetiveryl formate.
Vetiveryl propionate.
Vetiveryl *iso*-valerate.
p-Vinyl guaiacol.
Zingerone (3-methoxy-4-hydroxybenzylacetone).

Notice and public procedure are not necessary prerequisites to the promulgation of this order, and I so find, since extensions of time, under certain conditions, for the effective date of the food additives amendment to the Federal Food, Drug, and Cosmetic Act were contemplated by the statute as a relief of restrictions on the food-processing industry.

Effective date. This order shall become effective on the date of signature.

(Sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 371. Interpret or apply 72 Stat. 1788; 21 U.S.C., note under sec. 342)

Dated: August 8, 1960.

[SEAL] GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 60-7534; Filed, Aug. 12, 1960; 8:45 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME AND EXCESS PROFITS TAXES

[Regs. 118]

[T.D. 6487]

PART 39—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1951

Extension of Period for Filing Claims for Credit or Refund of Overpayments of Income Taxes Arising as a Result of Renegotiation of Government Contracts

In order to conform Regulations 118 (26 CFR (1939) Part 39), relating to income taxes, to section 1(b) of the Act of September 16, 1959 (Public Law 86-280, 73 Stat. 564), such regulations are amended as follows:

PARAGRAPH 1. Section 39.321-322 is amended by revising subsection (b)(6) of section 322 and the historical note following section 322 to read as follows:

§ 39.321-322 Statutory provisions; overpayment of installment of tax; refunds and credits.

* * * * *

SEC. 322. *Refunds and credits.* * * *

(b) *Limitation on allowance.* * * *

(6) *Special period of limitation with respect to net operating loss carry-backs and unused excess profits credit carry-backs.* If the claim for credit or refund relates to an overpayment attributable to a net operating loss carry-back or to an unused excess profits credit carry-back, in lieu of the three-year period of limitation prescribed in paragraph (1), the period shall be that period which ends with the expiration of the fifteenth day of the thirty-ninth month following the end of the taxable year of the net operating loss or the unused excess profits credit which results in such carry-back, or the period prescribed in paragraph (3) in respect to such taxable year, whichever expires later; except that, with respect to an overpayment attributable to the creation of or an increase in a net operating loss carry-back as a result of the elimination of excessive profits by a renegotiation (as defined in section 3806(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later. In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in paragraph (2) or (3), whichever is applicable, to the extent of the amount of the overpayment attributable to such carry-back.

* * * * *

[Sec. 322 as amended by secs. 169 and 172(e), Rev. Act 1942; secs. 2(b) (2) and (4)(a) and (b), Current Tax Payment Act 1943; secs. 6(b) (9) and (10) and 14(d), Individual In-

come Tax Act 1944; sec. (5) (a), (b), (c), and (d), Tax Adjustment Act 1945; sec. 122(e)(1), Rev. Act 1945; sec. 1, Pub. Law 716 (81st Cong.); sec. 206(b)(1), Social Security Act Amendments 1950; sec. 1(b), Act of Sept. 16, 1959 (Pub. Law 86-280, 73 Stat. 564)]

PAR. 2. Section 39.322-11 is amended to read as follows:

§ 39.322-11 Limitations upon crediting and refunding of taxes paid—overpayment on account of net operating loss carry-back and unused excess profits credit carry-backs.

(a) *Special period of limitation.* (1) If the claim for credit or refund relates to an overpayment attributable to a net operating loss carry-back, provided in section 122(b), or to an unused excess profits credit carry-back, provided in section 432(c), then in lieu of the 3-year period from the date the return was filed in which the claim may be filed or credit or refund allowed or made, as prescribed in § 39.322-7, the period shall be whichever of the following two periods expires later:

(i) The period which ends with the expiration of the fifteenth day of the thirty-ninth month following the end of the taxable year of the net operating loss which resulted in the carry-back; or

(ii) The period which ends with the expiration of the period prescribed in § 39.322-8 within which a claim for credit or refund may be filed with respect to the taxable year of the net operating loss which resulted in the carry-back;

except that, with respect to an overpayment attributable to the creation of or an increase in a net operating loss carry-back as a result of the elimination by a renegotiation (as defined in section 3806 (a)(1)(A)) of excessive profits received or accrued for taxable years ending after December 31, 1952, the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later

Because this Treasury decision makes only technical changes, it is hereby found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of that Act.

(Secs. 62, 3791 of the Internal Revenue Code of 1939 (53 Stat. 32, 467; 26 U.S.C. 62, 3791))

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: August 9, 1960.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

[F.R. Doc. 60-7608; Filed, Aug. 12, 1960; 8:51 a.m.]

Title 26—INTERNAL REVENUE, 1954

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6486]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Net Operating Loss Deduction

On January 9, 1960, notice of proposed rule making with respect to the amendment of the Income Tax Regulations (26 CFR Part 1) under section 172 of the Internal Revenue Code of 1954 (relating to the net operating loss deduction) to reflect the changes made by sections 14 and 64(b) of the Technical Amendments Act of 1958 (72 Stat. 1611 and 1656) and section 203 of the Small Business Tax Revision Act of 1958 (72 Stat. 1678) was published in the FEDERAL REGISTER (25 F.R. 178). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the amendment of the regulations as so published is hereby adopted, subject to the changes set forth below.

PARAGRAPH 1. Paragraph (g) of § 1.172-1 as set forth in paragraph 2(C) to the notice of proposed rule making is revised.

PAR. 2. Paragraph (a) of § 1.172-4 as revised in paragraph 4(a) to the notice of proposed rule making is further revised by adding a subparagraph (8).

PAR. 3. Section 1.172-5 as amended by paragraph 5 to the notice of proposed rule making is further amended by adding subparagraph (4) to paragraph (a).

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: August 9, 1960.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

In order to conform the Income Tax Regulations (26 CFR Part 1) to sections 14 and 64(b) of the Technical Amendments Act of 1958 (72 Stat. 1611 and 1656) and section 203 of the Small Business Tax Revision Act of 1958 (72 Stat. 1678), such regulations are hereby amended as set forth below. Except as otherwise expressly provided, these amendments shall apply to taxable years beginning after December 31, 1953, and ending after August 16, 1954:

PARAGRAPH 1. Section 1.172 is revised to read as follows:

§ 1.172 Statutory provisions; net operating loss deduction.

SEC. 172. *Net operating loss deduction*—(a) *Deduction allowed.* There shall be allowed as a deduction for the taxable year an amount equal to the aggregate of (1) the net operating loss carryovers to such year, plus (2) the net operating loss carrybacks to such year. For purposes of this subtitle, the term "net operating loss deduction" means the deduction allowed by this subsection.

(b) *Net operating loss carrybacks and carryovers*—(1) *Years to which loss may be carried.* A net operating loss for any taxable year ending after December 31, 1957, shall be—

(A) A net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss, and

(B) A net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

(2) *Amount of carrybacks and carryovers.* Except as provided in subsection (i), the entire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the "loss year") shall be carried to the earliest of the 8 taxable years to which (by reason of subparagraphs (A) and (B) of paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other 7 taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

(A) With the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

(B) By determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

(c) *Net operating loss defined.* For purposes of this section, the term "net operating loss" means (for any taxable year ending after December 31, 1953) the excess of the deductions allowed by this chapter over the gross income. Such excess shall be computed with the modifications specified in subsection (d).

(d) *Modifications.* The modifications referred to in this section are as follows:

(1) *Net operating loss deduction.* No net operating loss deduction shall be allowed.

(2) *Capital gains and losses of taxpayers other than corporations.* In the case of a taxpayer other than a corporation—

(A) The amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includible on account of gains from sales or exchanges of capital assets; and

(B) The deduction for long-term capital gains provided by section 1202 shall not be allowed.

(3) *Deduction for personal exemptions.* No deduction shall be allowed under section 151 (relating to personal exemptions). No deduction in lieu of any such deduction shall be allowed.

(4) *Nonbusiness deductions of taxpayers other than corporations.* In the case of a taxpayer other than a corporation, the deductions allowable by this chapter which are not attributable to a taxpayer's trade or business shall be allowed only to the extent of the amount of the gross income not derived from such trade or business. For purposes of the preceding sentence—

(A) Any gain or loss from the sale or other disposition of—

(i) Property, used in the trade or business, of a character which is subject to the allowance for depreciation provided in section 167, or

(ii) Real property used in the trade or business,

shall be treated as attributable to the trade or business;

(B) The modifications specified in paragraphs (1), (2)(B), and (3) shall be taken into account; and

(C) Any deduction allowable under section 165(c)(3) (relating to casualty losses) shall not be taken into account.

(5) *Special deductions for corporations.* No deduction shall be allowed under section 242 (relating to partially tax-exempt interest) or under section 922 (relating to Western Hemisphere trade corporations).

(6) *Computation of deduction for dividends received, etc.* The deductions allowed by sections 243 (relating to dividends received by corporations), 244 (relating to dividends received on certain preferred stock of public utilities), and 245 (relating to dividends received from certain foreign corporations) shall be computed without regard to section 246(b) (relating to limitation on aggregate amount of deductions); and the deduction allowed by section 247 (relating to dividends paid on certain preferred stock of public utilities) shall be computed without regard to subsection (a)(1)(B) of such section.

(e) *Law applicable to computations.* In determining the amount of any net operating loss carryback or carryover to any taxable year, the necessary computations involving any other taxable year shall be made under the law applicable to such other taxable year. The preceding sentence shall apply with respect to all taxable years, whether they begin before, on, or after January 1, 1954.

(f) *Taxable years beginning in 1953 and ending in 1954.* In the case of a taxable year beginning in 1953 and ending in 1954—

(1) In lieu of the amount specified in subsection (c), the net operating loss for such year shall be the sum of—

(A) That portion of the net operating loss for such year computed without regard to this subsection which the number of days in the loss year after December 31, 1953, bears to the total number of days in such year, and

(B) That portion of the net operating loss for such year computed under section 122 of the Internal Revenue Code of 1939 as if this section had not been enacted which the number of days in the loss year before January 1, 1954, bears to the total number of days in such year.

(2) The amount of any net operating loss for such year which shall be carried to the second preceding taxable year is the amount which bears the same ratio to such net operating loss as the number of days in the loss year after December 31, 1953, bears to the total number of days in such year. In determining the amount carried to any other taxable year, the reduction for the second taxable year preceding the loss year shall not exceed the portion of the net operating loss which is carried to the second preceding taxable year.

(3) The net operating loss deduction for such year shall be, in lieu of the amount specified in section 122(c) of the Internal Revenue Code of 1939, the sum of—

(A) That portion of the net operating loss deduction for such year, computed as if subsection (a) of this section were applicable to the taxable year, which the number of days in such year after December 31, 1953, bears to the total number of days in such year, and

(B) That portion of the net operating loss deduction for such year, computed under section 122(c) of the Internal Revenue Code of 1939 as if this paragraph had not been enacted, which the number of days in such year before January 1, 1954, bears to the total number of days in such year.

(4) For purposes of the second sentence of subsection (b)(2), the taxable income for such year shall be the sum of—

(A) That portion of the net income for such year, computed without regard to this paragraph, which the number of days in such year before January 1, 1954, bears to the total number of days in such year, and

(B) That portion of the net income for such year, computed—

(i) Without regard to paragraphs (1) and (2) of section 122(d) of the Internal Revenue Code of 1939, and

(ii) By allowing as a deduction an amount equal to the sum of the credits provided in subsections (b) and (h) of section 26 of such Code,

which the number of days in such year after December 31, 1953, bears to the total number of days in such year.

(g) *Special transitional rules*—(1) *Losses for taxable years ending before January 1, 1954.* For purposes of this section, the determination of the taxable years ending after December 31, 1953, to which a net operating loss for any taxable year ending before January 1, 1954, may be carried shall be made under the Internal Revenue Code of 1939.

(2) *Losses for taxable years ending after December 31, 1953.* For purposes of section 122 of the Internal Revenue Code of 1939—

(A) The determination of the taxable years ending before January 1, 1954, to which a net operating loss for any taxable year ending after December 31, 1953, may be carried shall be made under subsection (b)(1)(A) of this section; and

(B) In determining the amount of the carryback to the first taxable year preceding the first taxable year ending after December 31, 1953, the portion of the net operating loss carried to such year shall be such net operating loss reduced by—

(i) The net income for the second preceding taxable year computed as if the second sentence of section 122(b)(2)(B) of the Internal Revenue Code of 1939 applied, or

(ii) If smaller, the portion of the net operating loss which by reason of subsection (f) of this section is carried to the second preceding taxable year.

(3) *Taxable years beginning after December 31, 1953, and ending before August 17, 1954.* In the case of a taxable year which begins after December 31, 1953, and ends before August 17, 1954—

(A) The net operating loss deduction for such year shall be computed as if subsection (a) of this section applied to such taxable year, and

(B) For purposes of the second sentence of subsection (b)(2), the taxable income for such taxable year shall be the net income for such taxable year, computed—

(i) Without regard to paragraphs (1) and (2) of section 122(d) of the Internal Revenue Code of 1939, and

(ii) By allowing as a deduction an amount equal to the sum of the credits provided in subsections (b) and (h) of section 26 of such Code.

(4) *Excess profits tax not affected.* For purposes of subchapter D of chapter 1 of the Internal Revenue Code of 1939, excess profits net income shall be computed as if this section had not been enacted and as if section 122 of such Code continued to apply to taxable years to which this subtitle applies.

(h) *Disallowance of net operating loss of electing small business corporations.* In determining the amount of the net operating loss deduction under subsection (a) of any corporation, there shall be disregarded the net operating loss of such corporation for any taxable year for which such corporation is an electing small business corporation under subchapter S.

(i) *Carryback of net operating loss for taxable years beginning in 1957 and ending in 1958.* In the case of a taxable year beginning in 1957 and ending in 1958, the amount of any net operating loss for such year which shall be carried to the third preceding taxable year is the amount which bears the same ratio to such net operating loss as the number of days in the loss year after December 31, 1957, bears to the total number of days in such year. In determining the amount carried to any other taxable year, the reduction for the third taxable year preceding the loss year shall not exceed the portion of the net operating loss which is carried to the third preceding taxable year.

(j) *Cross references.* (1) For treatment of net operating loss carryovers in certain corporate acquisitions, see section 381.

(2) For special limitation on net operating loss carryovers in case of a corporate change of ownership, see section 382.

[Sec. 172 as amended by secs. 14 and 64(b), Technical Amendments Act 1958 (72 Stat. 1611, 1656); sec. 203, Small Business Tax Revision Act 1958 (72 Stat. 1678)]

§ 1.172–1 [Amendment]

PAR. 2. Section 1.172–1 is amended as follows:

(A) By striking out paragraph (e)(2) thereof and inserting in lieu thereof the following:

(2) *Special transitional rules.* See section 172(g) for special transitional rules with respect to (i) net operating losses sustained in taxable years ending before January 1, 1954, (ii) net operating losses sustained in taxable years ending after December 31, 1953, and (iii) the net operating loss deduction for taxable years beginning after December 31, 1953, and ending before August 17, 1954.

(B) By revising paragraph (f) thereof to read as follows:

(f) *Taxable years subject to the Internal Revenue Code of 1939*—(1) *In general.* For the computation of the net operating loss deduction for any taxable year (other than the taxable years described in subparagraphs (2) and (3) of this paragraph) which is subject to the Internal Revenue Code of 1939, see 26 CFR (1939) § 39.122–5 (Regulations 118) or the corresponding section of prior applicable regulations.

(2) *Taxable years beginning in 1953 and ending in 1954.* The net operating loss deduction for a taxable year beginning in 1953 and ending in 1954, shall be, in lieu of the amount specified in section 122(c) of the Internal Revenue Code of 1939 and in 26 CFR (1939) § 39.122–5 (Regulations 118), the sum of—

(i) That portion of the net operating loss deduction for such taxable year, computed in accordance with paragraph (b) of this section as though section 172(a) of the Code applied to such taxable year, which the number of days in such taxable year after December 31, 1953, bears to the total number of days in such taxable year, and

(ii) That portion of the net operating loss deduction for such taxable year, computed in accordance with section 122(c) of the Internal Revenue Code of 1939 and as though section 172(f)(3) of the Internal Revenue Code of 1954 had not been enacted, which the number of days in such taxable year before January 1,

1954, bears to the total number of days in such taxable year.

(3) *Taxable years beginning after December 31, 1953, and ending before August 17, 1954.* In the case of a taxable year which begins after December 31, 1953, and ends before August 17, 1954, the net operating loss deduction shall be computed in accordance with paragraph (b) of this section as though section 172 (a) of the Code applied to such taxable year.

(4) *Statute of limitations, etc.; interest.* If a refund or credit of any overpayment resulting from the application of subparagraph (2) or (3) of this paragraph is prevented on September 2, 1958, or within six months after such date, by the operation of any law or rule of law other than section 3760 of the Internal Revenue Code of 1939 or section 7121 of the Internal Revenue Code of 1954, relating to closing agreements, and other than section 3761 of the Internal Revenue Code of 1939 or section 7122 of the Internal Revenue Code of 1954, relating to compromises, refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed on or before March 2, 1959. No interest shall be paid or allowed on any overpayment resulting from the application of subparagraph (2) or (3) of this paragraph. See section 14(c) of the Technical Amendments Act of 1958 (72 Stat. 1611).

(C) By adding the following new paragraphs at the end thereof:

(g) *Electing small business corporations.* In determining the amount of the net operating loss deduction of any corporation, there shall be disregarded the net operating loss of such corporation for any taxable year for which such corporation was an electing small business corporation under subchapter S (section 1371 and following), chapter 1 of the Code. In applying section 172(b)(1) and (2) to a net operating loss sustained in a taxable year in which the corporation was not an electing small business corporation, a taxable year in which the corporation was an electing small business corporation is counted as a taxable year to which such net operating loss is carried back or over. However, the taxable income for such year as determined under section 172 (b) (2) is treated as if it were zero for purposes of computing the balance of the loss available to the corporation as a carryback or carryover to other taxable years in which the corporation is not an electing small business corporation. See section 1374 and the regulations thereunder for allowance of a deduction to shareholders for a net operating loss sustained by an electing small business corporation.

(h) *Husband and wife.* The net operating loss deduction of a husband and wife shall be determined in accordance with this section, but subject also to the provisions of § 1.172–7.

§ 1.172–2 [Amendment]

PAR. 3. Section 1.172–2 is amended as follows:

(A) By striking "243" in subparagraph (2)(i) of paragraph (a) thereof and inserting in lieu thereof "243(a)".

(B) By striking "243" in the second sentence of the example in paragraph (b) thereof and inserting in lieu thereof "243(a)".

§ 1.172–4 [Amendment]

PAR. 4. Section 1.172–4 is amended as follows:

(A) By revising paragraph (a)(1) and adding paragraph (a)(8) which read as follows:

(a) *General provisions*—(1) *Years to which loss may be carried*—(i) *In general.* In order to compute the net operating loss deduction the taxpayer must first determine the part of any net operating losses for any preceding or succeeding taxable years which are carryovers or carrybacks to the taxable year in issue.

(ii) *Loss for taxable years ending after December 31, 1957.* A net operating loss sustained in a taxable year ending after December 31, 1957, shall be carried back to the three preceding taxable years and carried over to the five succeeding taxable years.

(iii) *Loss for taxable years ending after December 31, 1953, and before January 1, 1958.* A net operating loss sustained in a taxable year ending after December 31, 1953, and before January 1, 1958, shall be carried back to the two preceding taxable years and carried over to the five succeeding taxable years; this rule shall apply even though the loss year is otherwise subject to the Internal Revenue Code of 1939.

(iv) *Loss for taxable years beginning after December 31, 1949, and ending before January 1, 1954.* A net operating loss sustained in a taxable year beginning after December 31, 1949, and ending before January 1, 1954, shall be carried back to the first preceding taxable year and carried over to the five succeeding taxable years.

* * * * *

(8) *Electing small business corporations.* For special rule applicable to corporations which were electing small business corporations under subchapter S (section 1371 and following), chapter 1 of the Code, during one or more of the taxable years described in section 172 (b) (1), see paragraph (g) of § 1.172–1.

(B) By adding the following new subparagraph (2–a) after paragraph (b)(2) thereof:

(2–a) *Taxable years beginning in 1957 and ending in 1958.* (i) Notwithstanding subparagraph (1) of this paragraph, in the case of a net operating loss sustained in a taxable year which begins in 1957 and ends in 1958, the amount of such loss which shall be carried back to the third preceding taxable year is the amount which bears the same ratio to such net operating loss (as determined under section 172(c)) as the number of days in the loss year after December 31, 1957, bears to the total number of days in such year.

(ii) To determine the portion of the net operating loss for such a taxable year ending in 1958 which shall be carried to any taxable year subsequent to such third preceding taxable year there shall be substituted, in the application of subparagraph (1)(ii) of this paragraph, for the taxable income of such third preceding taxable year an amount equal to the portion of the net operating loss which is carried back to such third preceding taxable year in accordance with this subparagraph, if such amount is smaller than the taxable income of such third preceding taxable year as computed under paragraph (a) of § 1.172–5.

(C) By striking example (2) in paragraph (b)(4) thereof and inserting in lieu thereof the following new example:

Example (2). (i) A taxpayer who makes his tax returns on the basis of a fiscal year ending June 30 has a net operating loss (computed as provided in section 172(c)) for the taxable year which begins July 1, 1957, and ends June 30, 1958. The amount of the carryback from such taxable year to the taxable year ending June 30, 1955, the third preceding taxable year, is 181/365ths of the net operating loss. If such amount is not less than the taxable income (computed as provided in § 1.172–5) for the taxable year ending June 30, 1955, the amount of the carryback to the taxable year ending June 30, 1956, is the excess of the net operating loss over the taxable income so computed for the taxable year ending June 30, 1955; and the amount of the carryback to the taxable year ending June 30, 1957, is the excess of the net operating loss over the aggregate of the taxable incomes so computed for the taxable years ending June 30, 1955, and 1956. The amount of the carryovers to the taxable years ending June 30, 1959, 1960, 1961, 1962, and 1963 is the excess of the net operating loss over the aggregate of the taxable incomes (computed as provided in § 1.172–5) for the taxable years ending June 30, 1955, 1956, and 1957; 1955, 1956, 1957, and 1959; 1955, 1956, 1957, 1959, and 1960; 1955, 1956, 1957, 1959, 1960, and 1961; and 1955, 1956, 1957, 1959, 1960, 1961, and 1962, respectively.

(ii) If, however, the taxable income (computed as provided in § 1.172–5) for the taxable year ending June 30, 1955, exceeds the amount of the carryback to such taxable year (181/365ths of the net operating loss for the loss year), then the amount of the carryback to the taxable year ending June 30, 1956, is the excess of the net operating loss over the amount of the carryback to the taxable year ending June 30, 1955. The amount of the carryback to the taxable year ending June 30, 1957, is the excess of the net operating loss over the sum of the amount of the carryback to the taxable year ending June 30, 1955, and the taxable income (computed as provided in § 1.172–5) for the taxable year ending June 30, 1956. The amount of the carryovers to the taxable years ending June 30, 1959, 1960, 1961, 1962, and 1963 is the excess of the net operating loss over the sum of the amount of the carryback to the taxable year ending June 30, 1955, and the aggregate of the taxable incomes (computed as provided in § 1.172–5) for the taxable years ending June 30, 1956, and 1957; 1956, 1957, and 1959; 1956, 1957, 1959, and 1960; 1956, 1957, 1959, 1960, and 1961; and 1956, 1957, 1959, 1960, 1961, and 1962, respectively.

§ 1.172–5 [Amendment]

PAR. 5. Section 1.172–5 is amended by adding paragraph (a)(4) and revising paragraph (b) which read as follows:

(4) *Electing small business corporations.* For special rule applicable to cor-

porations which were electing small business corporations under subchapter S (section 1371 and following), chapter 1 of the Code, during one or more of the taxable years described in section 172 (b) (1), see paragraph (g) of § 1.172–1.

(b) *Taxable year subject to 1939 Code*—(1) *In general.* For the computation of the net income for any taxable year (other than the taxable years described in subparagraphs (2) and (3) of this paragraph) subject to the 1939 Code which is subtracted from the net operating loss for any other taxable year to determine the portion of such loss which is a carryback or a carryover to a particular taxable year, see 26 CFR (1939) § 39.122–4(c) (Regulations 118) or the corresponding section of prior applicable regulations.

(2) *Taxable years beginning in 1953 and ending in 1954.* The net income for any taxable year beginning in 1953 and ending in 1954 which is subtracted from the net operating loss for any other taxable year to determine the portion of such net operating loss which is a carryback or a carryover to a particular taxable year shall be the sum of—

(i) That portion of the net income for such taxable year, computed as provided in clauses (i) and (ii) of the first sentence of section 122(b)(2)(B) of the Internal Revenue Code of 1939, which the number of days in such taxable year before January 1, 1954, bears to the total number of days in such taxable year, and

(ii) That portion of the net income for such taxable year, computed—

(*a*) As provided in clauses (i) and (ii) of the first sentence of section 122 (b)(2)(B) of the Internal Revenue Code of 1939 but without regard to the modifications provided in section 122(d) (1) and (2) of such Code, and

(*b*) By allowing as a deduction an amount equal to the sum of the credits allowable for such taxable year under section 26(b) (relating to credit for dividends received) and section 26(h) (relating to credit for dividends paid on certain preferred stock) of the Internal Revenue Code of 1939 in determining normal-tax net income,

which the number of days in such taxable year after December 31, 1953, bears to the total number of days in such taxable year.

(3) *Taxable years beginning after December 31, 1953, and ending before August 17, 1954.* The net income for any taxable year beginning after December 31, 1953, and ending before August 17, 1954, which is subtracted from the net operating loss for any other taxable year to determine the portion of such net operating loss which is a carryback or a carryover to a particular taxable year shall be the net income for such taxable year, computed—

(i) As provided in clauses (i) and (ii) of the first sentence of section 122(b)(2)(B) of the Internal Revenue Code of 1939 but without regard to the modifications provided in section 122(d) (1) and (2) of such Code, and

(ii) By allowing as a deduction an amount equal to the sum of the credits allowable for such taxable year under section 26(b) (relating to the credit for dividends received) and section 26(h) (relating to the credit for dividends paid on certain preferred stock) of the Internal Revenue Code of 1939 in determining normal-tax net income.

(4) *Statute of limitations, etc.; interest.* If a refund or credit of any overpayment resulting from the application of subparagraph (2) or (3) of this paragraph is prevented on September 2, 1958, or within six months after such date, by the operation of any law or rule of law other than section 3760 of the Internal Revenue Code of 1939 or section 7121 of the Internal Revenue Code of 1954, relating to closing agreements, and other than section 3761 of the Internal Revenue Code of 1939 or section 7122 of the Internal Revenue Code of 1954, relating to compromises, refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed on or before March 2, 1959. No interest shall be paid or allowed on any overpayment resulting from the application of subparagraph (2) or (3) of this paragraph. See section 14(c) of the Technical Amendments Act of 1958 (72 Stat. 1611).

PAR. 6. Section 1.172–6 is revised to read as follows:

§ 1.172–6 Illustration of net operating loss carrybacks and carryovers.

The application of § 1.172–4 may be illustrated by the following example:

(a) *Facts.* The books of the taxpayer, whose return is made on the basis of the calendar year, reveal the following facts:

Taxable year	*Taxable income*	*Net operating loss*
1954	$15,000	-------
1955	30,000	-------
1956	----------	($75,000)
1957	20,000	-------
1958	----------	(150,000)
1959	30,000	-------
1960	35,000	-------
1961	75,000	-------
1962	17,000	-------
1963	53,000	-------

The taxable income thus shown is computed without any net operating loss deduction. The assumption is also made that none of the other modifications prescribed in § 1.172–5 apply. There are no net operating losses for 1950, 1951, 1952, 1953, 1964, 1965, or 1966.

(b) *Loss sustained in 1956.* The portions of the $75,000 net operating loss for 1956 which shall be used as carrybacks to 1954 and 1955 and as carryovers to 1957, 1958, 1959, 1960, and 1961 are computed as follows:

(1) *Carryback to 1954.* The carryback to this year is $75,000, that is, the amount of the net operating loss.

(2) *Carryback to 1955.* The carryback to this year is $60,000, computed as follows:

Net operating loss		$75,000
Less:		
Taxable income for 1954 (computed without the deduction of the carryback from 1956)		15,000
Carryback		60,000

(3) *Carryover to 1957.* The carryover to this year is $30,000, computed as follows:

Net operating loss		$75,000
Less:		
Taxable income for 1954 (computed without the deduction of the carryback from 1956)	$15,000	
Taxable income for 1955 (computed without the deduction of the carryback from 1956 or the carryback from 1958)	30,000	
		45,000
Carryover		30,000

(4) *Carryover to 1958.* The carryover to this year is $10,000, computed as follows:

Net operating loss		$75,000
Less:		
Taxable income for 1954 (computed without the deduction of the carryback from 1956)	$15,000	
Taxable income for 1955 (computed without the deduction of the carryback from 1956 or the carryback from 1958)	30,000	
Taxable income for 1957 (computed without the deduction of the carryover from 1956 or the carryback from 1958)	20,000	
		65,000
Carryover		10,000

(5) *Carryover to 1959.* The carryover to this year is $10,000, computed as follows:

Net operating loss		$75,000
Less:		
Taxable income for 1954 (computed without the deduction of the carryback from 1956)	$15,000	
Taxable income for 1955 (computed without the deduction of the carryback from 1956 or the carryback from 1958)	30,000	
Taxable income for 1957 (computed without the deduction of the carryover from 1956 or the carryback from 1958)	20,000	
Taxable income for 1958 (a year in which a net operating loss was sustained)	0	
		65,000
Carryover		10,000

(6) *Carryover to 1960.* The carryover to this year is $0, computed as follows:

Net operating loss		$75,000
Less:		
Taxable income for 1954 (computed without the deduction of the carryback from 1956)	$15,000	
Taxable income for 1955 (computed without the deduction of the carryback from 1956 or the carryback from 1958)	30,000	
Taxable income for 1957 (computed without the deduction of the carryover from 1956 or the carryback from 1958)	20,000	

Less—Continued		
Taxable income for 1958 (a year in which a net operating loss was sustained)	$0	
Taxable income for 1959 (computed without the deduction of the carryover from 1956 or the carryover from 1958)	30,000	
		$95,000
Carryover		0

(7) *Carryover to 1961.* The carryover to this year is $0, computed as follows:

Net operating loss		$75,000
Less:		
Taxable income for 1954 (computed without the deduction of the carryback from 1956)	$15,000	
Taxable income for 1955 (computed without the deduction of the carryback from 1956 or the carryback from 1958)	30,000	
Taxable income for 1957 (computed without the deduction of the carryover from 1956 or the carryback from 1958)	20,000	
Taxable income for 1958 (a year in which a net operating loss was sustained)	0	
Taxable income for 1959 (computed without the deduction of the carryover from 1956 or the carryover from 1958)	30,000	
Taxable income for 1960 (computed without the deduction of the carryover from 1956 or the carryover from 1958)	35,000	
		130,000
Carryover		0

(c) *Loss sustained in 1958.* The portions of the $150,000 net operating loss for 1958 which shall be used as carrybacks to 1955, 1956, and 1957 and as carryovers to 1959, 1960, 1961, 1962, and 1963 are computed as follows:

(1) *Carryback to 1955.* The carryback to this year is $150,000, that is, the amount of the net operating loss.

(2) *Carryback to 1956.* The carryback to this year is $150,000, computed as follows:

Net operating loss		$150,000
Less:		
Taxable income for 1955 (the $30,000 taxable income for such year reduced by the carryback to such year of $60,000 from 1956, the carryback from 1958 to 1955 not being taken into account)		0
Carryback		150,000

(3) *Carryback to 1957.* The carryback to this year is $150,000, computed as follows:

Net operating loss		$150,000
Less:		
Taxable income for 1955 (the $30,000 taxable income for such year reduced by the carryback to such year of $60,000 from 1956, the carryback from 1958 to 1955 not being taken into account)	$0	
Taxable income for 1956 (a year in which a net operating loss was sustained)	0	
		0
Carryback		150,000

(4) *Carryover to 1959.* The carryover to this year is $150,000, computed as follows:

Net operating loss		$150,000
Less:		
Taxable income for 1955 (the $30,000 taxable income for such year reduced by the carryback to such year of $60,000 from 1956, the carryback from 1958 to 1955 not being taken into account)	$0	
Taxable income for 1956 (a year in which a net operating loss was sustained)	0	
Taxable income for 1957 (the $20,000 taxable income for such year reduced by the carryover to such year of $30,000 from 1956, the carryback from 1958 to 1957 not being taken into account)	0	
		0
Carryover		150,000

(5) *Carryover to 1960.* The carryover to this year is $130,000, computed as follows:

Net operating loss		$150,000
Less:		
Taxable income for 1955 (the $30,000 taxable income for such year reduced by the carryback to such year of $60,000 from 1956, the carryback from 1958 to 1955 not being taken into account)	$0	
Taxable income for 1956 (a year in which a net operating loss was sustained)	0	
Taxable income for 1957 (the $20,000 taxable income for such year reduced by the carryover to such year of $30,000 from 1956, the carryback from 1958 to 1957 not being taken into account)	0	
Taxable income for 1959 (the $30,000 taxable income for such year reduced by the carryover to such year of $10,000 from 1956, the carryover from 1958 to 1959 not being taken into account)	20,000	
		20,000
Carryover		130,000

(6) *Carryover to 1961.* The carryover to this year is $95,000, computed as follows:

Net operating loss		$150,000
Less:		
Taxable income for 1955 (the $30,000 taxable income for such year reduced by the carryback to such year of $60,000 from 1956, the carryback from 1958 to 1955 not being taken into account)	$0	
Taxable income for 1956 (a year in which a net operating loss was sustained)	0	
Taxable income for 1957 (the $20,000 taxable income for such year reduced by the carryover to such year of $30,000 from 1956, the carryback from 1958 to 1957 not being taken into account)	0	
Taxable income for 1959 (the $30,000 taxable income for such year reduced by the carryover to such year of $10,000 from 1956, the carryover from 1958 to 1959 not being taken into account)	20,000	
Taxable income for 1960 (the $35,000 taxable income for such year reduced by the carryover to such year of $0 from 1956, the carryover from 1958 to 1960 not being taken into account)	35,000	
		55,000
Carryover		95,000

(7) *Carryover to 1962.* The carryover to this year is $20,000, computed as follows:

Net operating loss		$150,000
Less:		
Taxable income for 1955 (the $30,000 taxable income for such year reduced by the carryback to such year of $60,000 from 1956, the carryback from 1958 to 1955 not being taken into account)	$0	
Taxable income for 1956 (a year in which a net operating loss was sustained)	0	
Taxable income for 1957 (the $20,000 taxable income for such year reduced by the carryover to such year of $30,000 from 1956, the carryback from 1958 to 1957 not being taken into account)	0	
Taxable income for 1959 (the $30,000 taxable income for such year reduced by the carryover to such year of $10,000 from 1956, the carryover from 1958 to 1959 not being taken into account)	20,000	
Taxable income for 1960 (the $35,000 taxable income for such year reduced by the carryover to such year of $0 from 1956, the carryover from 1958 to 1960 not being taken into account)	35,000	

Less—Continued		
Taxable income for 1961 (the $75,000 taxable income for such year reduced by the carryover to such year of $0 from 1956, the carryover from 1958 to 1961 not being taken into account)	$75,000	
		$130,000
Carryover		20,000

(8) *Carryover to 1963.* The carryover to this year is $3,000, computed as follows:

Net operating loss		$150,000
Less:		
Taxable income for 1955 (the $30,000 taxable income for such year reduced by the carryback to such year of $60,000 from 1956, the carryback from 1958 to 1955 not being taken into account)	$0	
Taxable income for 1956 (a year in which a net operating loss was sustained)	0	
Taxable income for 1957 (the $20,000 taxable income for such year reduced by the carryover to such year of $30,000 from 1956, the carryback from 1958 to 1957 not being taken into account)	0	
Taxable income for 1959 (the $30,000 taxable income for such year reduced by the carryover to such year of $10,000 from 1956, the carryover from 1958 to 1959 not being taken into account)	20,000	
Taxable income for 1960 (the $35,000 taxable income for such year reduced by the carryover to such year of $0 from 1956, the carryover from 1958 to 1960 not being taken into account)	35,000	
Taxable income for 1961 (the $75,000 taxable income for such year reduced by the carryover to such year of $0 from 1956, the carryover from 1958 to 1961 not being taken into account)	75,000	
Taxable income for 1962 (computed without the deduction of the carryover from 1958)	17,000	
		147,000
Carryover		3,000

(d) *Determination of net operating loss deduction for each year.* The carryovers and carrybacks computed under paragraphs (b) and (c) of this section are used as a basis for the computation of the net operating loss deduction in the following manner:

Taxable year	Carryover		Carryback		Net operating loss deduction
	From 1956	From 1958	From 1956	From 1958	
1954			$75,000		$75,000
1955			60,000	$150,000	210,000
1957	$30,000			150,000	180,000
1959	10,000	$150,000			160,000
1960		130,000			130,000
1961		95,000			95,000
1962		20,000			20,000
1963		3,000			3,000

§ 1.172–7 [Amendment]

PAR. 7. Section 1.172–7 is amended as follows:

(A) By striking the last sentence of paragraph (f) thereof and inserting in lieu thereof the following new sentence: "If the husband and wife also file joint returns for the calendar years 1957, 1958, and 1959, having joint taxable income in 1957 and 1958 and a joint net operating loss in 1959, the joint net operating loss carrybacks to 1956, 1957, and 1958 from 1959 are computed on the basis of the joint net operating loss for 1959, since separate returns were not made for any taxable year involved in the computation of such carrybacks."

(B) By striking "it is assumed that reference to the modifications prescribed in § 1.172–5 is unnecessary", in the first sentence of paragraph (g) thereof, and inserting in lieu thereof "it is assumed that there are no items of adjustment under section 172(b)(2)(A)".

(C) By striking "but has a net operating loss of $200 for the fiscal year February 1, 1957, to January 31, 1958", in subdivision (i) of example (4) of paragraph (g) thereof, and inserting in lieu thereof "or for the fiscal year February 1, 1957, to January 31, 1958, but has a net operating loss of $200 for the fiscal year February 1, 1958, to January 31, 1959".

(D) By striking subdivision (iv) of example (4) of paragraph (g) thereof and inserting in lieu thereof the following new subdivision:

(iv) The net operating loss carryover of W from the fiscal year beginning February 1, 1958, to her next fiscal year is $200, that is, her net operating loss of $200 for the fiscal year beginning February 1, 1958, reduced by the sum of her $0 taxable income for 1956, her $0 taxable income for the taxable year January 1, 1957, to January 31, 1957 (a year in which she had neither income nor loss), and her $0 taxable income for the fiscal year February 1, 1957, to January 31, 1958 (also a year in which she had neither income nor loss). The $0 taxable income for 1956 is computed as follows:

(E) By striking "February 1, 1957" in subdivision (v) of example (4) of paragraph (g) thereof and inserting in lieu thereof "February 1, 1958".

(Sec. 7805 of the Internal Revenue Code of 1954, 68A Stat. 917; 26 U.S.C. 7805)

[F.R. Doc. 60–7584; Filed, Aug. 12, 1960; 8:48 a.m.]

SUBCHAPTER E—ALCOHOL, TOBACCO, AND OTHER EXCISE TAXES

PART 211—DISTRIBUTION AND USE OF DENATURED ALCOHOL AND RUM

PART 212—FORMULAS FOR DENATURED ALCOHOL AND RUM

Correction

In the document issuing Part 211 of Chapter I of Title 26 of the Code of Federal Regulations, published at 25 F.R. 5966, the following corrections are made: In paragraph 27 (§ 211.199) of the adoption document and in § 211.199(a) of the full text of the regulations, insert the word "laboratory" after the words "bona fide" and before the word "supply".

Treasury Decision No. 6474 (26 CFR Part 212) published at 25 F.R. 5987 is corrected by changing the spelling of the word "Benzine" to "Benzene" in the listing of denaturants in § 212.110.

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: August 9, 1960.

FRED C. SCRIBNER, JR.,
Acting Secretary of the Treasury.

[F.R. Doc. 60–7610; Filed, Aug. 12, 1960; 8:52 a.m.]

[T.D. 6488]

SUBCHAPTER F—PROCEDURE AND ADMINISTRATION

PART 301—PROCEDURE AND ADMINISTRATION

Extension of Period for Filing Claims for Credit or Refund of Overpayments of Income Taxes Arising as a Result of Renegotiation of Government Contracts

In order to conform the Regulations on Procedure and Administration (26 CFR Part 301) to section 1(a) of the Act of September 16, 1959 (Public Law 86–280, 73 Stat. 563), the regulations are amended as follows:

PARAGRAPH 1. Section 301.6511(d), as amended by Treasury Decision 6425, approved November 5, 1959, is further amended to read as follows:

§ 301.6511(d) Statutory provisions; limitations on credit or refund; special rules applicable to income taxes.

SEC. 6511. *Limitations on credit or refund.* * * *

(d) *Special rules applicable to income taxes.* * * *

(2) *Special period of limitation with respect to net operating loss carrybacks*—(A) *Period of limitation.* If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation perscribed in subsection (a), the period shall be that period which ends with the expira-

tion of the 15th day of the 40th month (or 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback, or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later; except that, with respect to an overpayment attributable to the creation of or an increase in a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later. In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback.

* * * * *

[Sec. 6511(d) as amended by sec. 82(d), Technical Amendments Act 1958 (72 Stat. 1663); sec. 1(a), Act of Sept. 16, 1959 (Pub. Law 86-280, 73 Stat. 563)]

PAR. 2. Section 301.6511(d)-2, as amended by Treasury Decision 6425, approved November 5, 1959, is further amended to read as follows:

§ 301.6511(d)-2 Overpayment of income tax on account of net operating loss carrybacks.

(a) *Special period of limitation.* (1) If the claim for credit or refund relates to an overpayment of income tax attributable to a net operating loss carryback, provided in section 172(b), then in lieu of the 3-year period from the time the return was filed in which the claim may be filed or credit or refund allowed, as prescribed in section 6511 (a) or (b), the period shall be whichever of the following 2 periods expires later:

(i) The period which ends with the expiration of the fifteenth day of the fortieth month (or thirty-ninth month, in the case of a corporation) following the end of the taxable year of the net operating loss which resulted in the carryback; or

(ii) The period which ends with the expiration of the period prescribed in section 6511(c) within which a claim for credit or refund may be filed with respect to the taxable year of the net operating loss which resulted in the carryback;

except that, with respect to an overpayment attributable to the creation of or an increase in a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later.

* * * * *

Because this Treasury decision makes only technical changes, it is hereby found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of that Act.

(Sec. 7805 of the Internal Revenue Code of 1954, 68A Stat. 917; 26 U.S.C. 7805)

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: August 9, 1960.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

[F.R. Doc. 60-7609; Filed, Aug. 12, 1960; 8:51 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 203—BRIDGE REGULATIONS

Dickinson Bayou, Texas; and Corte Madera and Petaluma Creeks, California

AUGUST 9, 1960.

1. Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U.S.C. 499), § 203.535 governing the operation of the bridge of the Galveston, Harrisburg and San Antonio Railroad (Southern Pacific) across Dickinson Bayou at San Leon, Texas, is hereby revoked, as follows:

§ 203.535 Dickinson Bayou, Tex; bridge of Galveston, Harrisburg and San Antonio Railroad (Southern Pacific) at San Leon, Tex. [Revoked]

2. Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U.S.C. 499), § 203.712 is hereby amended with respect to paragraph (e) to exclude the State of California highway bridge across Corte Madera Creek near Corte Madera, California, the bridge having been removed from the waterway, as follows:

§ 203.712 Tributaries of San Francisco Bay and San Pablo Bay, Calif.

* * * * *

(e) *Corte Madera Creek; The Northern Pacific Railroad Company bridge near Greenbrae.* On Saturdays, Sundays and holidays, at least 72 hours' advance notice required; on all other days at least 24 hours' advance notice required.

* * * * *

3. Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U.S.C. 499), paragraph (g) of § 203.712 is hereby amended to include the Northwestern Pacific Railroad Company bridge across Petaluma Creek near Haystack Landing, Petaluma, California, as follows:

§ 203.712 Tributaries of San Francisco Bay and San Pablo Bay, Calif.

* * * * *

(g) *Petaluma Creek.* (1) Northwestern Pacific Railroad Company bridges at Blackpoint and Haystack Landing. The owner of or agency controlling these bridges need not keep draw tenders in constant attendance except when the draws are closed for the passage of railroad traffic. At all other times the draws may remain in full open position and unattended. During foggy weather a bell shall be tolled continuously when the draws are in open position.

[Regs., July 27, 1960, 285/91-ENGCW-O] (Sec. 5, 28 Stat. 362; 33 U.S.C. 499)

R. V. LEE,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 60-7550; Filed, Aug. 12, 1960; 8:45 a.m.]

Title 41—PUBLIC CONTRACTS

Chapter 3—Department of Health, Education, and Welfare

PART 75—DELEGATIONS OF AUTHORITY

Subpart C—Mistakes in Bids

§ 3-75.21 Procurement and Supply Management Branch, Division of General Services.

Authority is delegated to the Chief, Procurement and Supply Management Branch, Division of General Services, to make the determinations specified in § 1-2.406-3 of the Federal Procurement Regulations (41 CFR Part 1-2, 25 F.R. 1665) in connection with mistakes in bids.

(a) *Redelegation.* This delegation of authority cannot be redelegated.

(b) *Approval.* Each proposed determination shall be approved by the Office of General Counsel.

(41 CFR 1-2.406-3, 25 F.R. 1665)

Effective date: July 29, 1960.

Dated: August 9, 1960.

[SEAL] ARTHUR S. FLEMMING,
Secretary.

[F.R. Doc. 60-7575; Filed, Aug. 12, 1960; 8:47 a.m.]

Title 42—PUBLIC HEALTH

Chapter III—Saint Elizabeths Hospital, Department of Health, Education, and Welfare

PART 305—AUTOPSIES

Notice of proposed rule making having been published in the FEDERAL REGISTER on May 5, 1960 (25 F.R. 3899) and no suggestions or comments having been received, the addition to this part set out below is hereby adopted effective thirty days following publication.

Effective date. This addition shall become effective thirty days after publication in the FEDERAL REGISTER.

Chapter III of Title 42 of the Code of Federal Regulations is amended by addition of Part 305—Autopsies, as follows:

Sec.
305.1 Consent to autopsies.
305.2 Authorization for autopsies by Hospital superintendent.
305.3 Restrictions on autopsies.

AUTHORITY: §§ 305.1 to 305.3 issued under R.S. 161, as amended August 12, 1958, 72 Stat. 547, 5 U.S.C. 22.

§ 305.1 Consent to autopsies.

An autopsy may be performed on the body of a deceased patient by direction of the superintendent of the Hospital or of an officer or employee of the Hospital designated by him where consented to in writing (a) by the surviving spouse of the decedent; or, if none such, (b) by the next of kin in the order of their relation; *Provided,* That where consent is granted by a member of a class of relatives consisting of more than one person, the consent of all members of such class shall be obtained. Documents embodying consent shall be made a part of the clinical record.

§ 305.2 Authorization for autopsies by Hospital superintendent.

Where the person authorized to give consent under § 305.1 cannot be located after diligent search and the Hospital assumes responsibility for burial arrangements, the superintendent of the Hospital may authorize the performance of an autopsy. Such authorization shall be made a part of the clinical record.

§ 305.3 Restrictions on autopsies.

Restrictions or limitations on the performance of or extent of the autopsy imposed by the consenting person or persons or by the decedent during his lifetime shall be observed.

[SEAL] WINFRED OVERHOLZER,
Superintendent,
Saint Elizabeths Hospital.

Approved: August 9, 1960.

ARTHUR S. FLEMMING,
Secretary.

[F.R. Doc. 60-7574; Filed, Aug. 12, 1960; 8:47 a.m.]

Title 46—SHIPPING

Chapter II—Federal Maritime Board, Maritime Administration, Department of Commerce

SUBCHAPTER C—REGULATIONS AFFECTING SUBSIDIZED VESSELS AND OPERATORS

[General Order 24, 3d Rev.]

PART 284—VALUATION OF VESSELS FOR DETERMINING CAPITAL EMPLOYED AND NET EARNINGS UNDER OPERATING-DIFFERENTIAL SUBSIDY AGREEMENTS

Correction

In F.R. Doc. 60-7425, appearing at page 7536 of the issue for Wednesday, August 10, 1960, the first section heading should read "§ 284.1 *Vessels included.*" instead of "§ 241.1 *Vessels included.*"

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

PART 1—PRACTICE AND PROCEDURE

PART 64—MISCELLANEOUS RULES RELATING TO COMMON CARRIERS

Domestic Telegraph Speed of Service Studies

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 8th day of August 1960;

The Commission having under consideration proposals of The Western Union Telegraph Company to amend Subpart B of Part 64 of its rules and regulations governing domestic telegraph speed of service studies and also having under consideration the necessity of amending § 1.486 of its rules;

It appearing that amendments of Subpart B of Part 64 of the rules and of § 1.486 of the rules are desirable for the purpose of clarifying the application of certain requirements of the rules and to recognize certain changes made by Western Union in its procedures and operating practices;

It further appearing that Western Union is the only person subject to the amendments adopted herein; that such amendments have been agreed to by Western Union; that Western Union has requested that such amendments be made effective September 1, 1960; and, hence, that compliance with the public notice, procedural and effective date requirements of section 4 of the Administrative Procedure Act is unnecessary;

It is ordered, That pursuant to sections 4(i) and 201(b) of the Communications Act of 1934, as amended, § 1.486 and Subpart B of Part 64 are amended, effective September 1, 1960, as set forth below.

(Sec. 4, 48 Stat. 1066, as amended, 47 U.S.C. 154. Interprets or applies sec. 201, 48 Stat. 1070; 47 U.S.C. 201)

Released: August 9, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

1. Section 1.486 is amended to read as follows:

§ 1.486 Reports regarding domestic telegraph speed of service.

The Western Union Telegraph Company shall furnish monthly reports under Subpart B of Part 64 of this chapter in regard to origin to destination speed of service on F.C.C. Form 338-B and any additional recurring monthly speed of service reports prepared by the telegraph company, together with copies of related instructions issued by the company to its field offices, in accordance with Part 64 of this chapter.

2. Section 64.202(b) is amended to read as follows:

§ 64.202 Time filed.

* * * * *

(b) In the case of messages filed over manually terminated teleprinter tielines, the filing time shall be the acknowledgment or stamped received time, whichever is earlier. Where messages are filed over a telefax tieline, the filing time shall be the stamped received time placed on the message upon removal from the recorder. Where messages are filed over teleprinter tielines directly connected into switching centers, the filing time shall be the time placed on such telegrams by the patron or by automatic timing equipment, as the case may be. If the sender is called back to verify a questionable part of the message, the original filing time shall be used unless a correction is made by the sender, in which case a new filing time consisting of the time the correction is received shall be placed on the message.

* * * * *

3. In § 64.203, the introductory text and paragraph (f) are amended and a new paragraph (g) is added as follows:

§ 64.203 Time delivered.

The time delivery of a telegram is completed to the addressee (or to a person authorized to receive the telegram for the addressee), except as otherwise provided in this section.

* * * * *

(f) When delivery is made by messenger on routes on which all messages to be delivered are business messages, the time delivered or the time of the first attempt to deliver for each message on the route shall be the time routed out plus one-half the interval from the time routed out to the time returned. When messenger delivery routes comprise both business and social messages, the time delivered or the time of first attempt to deliver for each business message shall be the actual time of delivery to the addressee.

(g) In the case of Domestic Full Rate Money Orders, the time delivered shall be the time the money order is paid or the payee is notified, less ten minutes (allowance for banking operations at point of origin and destination).

4. In § 64.204, paragraphs (c) and (d) are amended to read as follows:

§ 64.204 First attempt.

* * * * *

(c) In the case of messenger delivery, business messages returned to the office undelivered for any reason when first routed out are "first attempts." If such "first attempts" were on a route on which all messages to be delivered were business messages, the time of the first attempt to deliver shall be the time routed out plus one-half the interval from the time routed out to the time returned. If such "first attempts" were on a route comprised of both business and social messages, the time of the first

attempt to deliver for each business message shall be the actual time physical delivery was attempted.

(d) In all such cases there shall be noted on the message and delivery sheet the "first attempt" time and the reason for non-delivery.

* * * * *

§ 64.213 [Deletion]

5. Section 64.213 is deleted.

§ 64.221 [Amendment]

6. Section 64.221(a) is amended by changing "§§ 64.201 through 64.295" to read "§§ 64.201 through 64.291".

7. Section 64.227(b) is amended to read as follows:

§ 64.227 Suspension of tallying.

* * * * *

(b) In the event of a serious and unusual communication emergency such as that caused by flood, earthquake, strike by respondent's employees, or fire, tallying may be suspended. In the event of suspension of tallies during an emergency, messages handled during the emergency need not be tallied.

8. In § 64.243, paragraphs (a) and (b)(2) are amended to read as follows:

§ 64.243 Selection of offices for tallying.

(a) Sampling for origin to destination speed of service in each method shall be limited to those offices in each city which deliver an average of 50 or more messages daily by telephone or by tieline, or deliver an average of 50 or more business messages daily by messenger: *Provided, however,* That if none of the offices in a city deliver 50 or more messages daily in a particular method of delivery, then each such office shall be considered as delivering an average of 50 messages per day in that method and as qualifying under this section for tallying.

(b) * * *

(2) Where the volume of traffic for a given delivery method in a city (all offices to be studied combined) calls for preparation of 3 cards or less, the preparation of such cards will not be required. In such cases if more than one delivery office is involved, the number of tallies at each such delivery office shall be in the same ratio as its load bears to the total delivery load of the city.

9. In § 64.244, paragraphs (c) (1) and (2) and (d) are amended to read as follows:

§ 64.244 Selection of messages for tallying.

* * * * *

(c) * * *

(1) Where delivered messages are filed alphabetically, a card for each letter of the alphabet shall be prepared. The set of cards shall be shuffled face down and the deck cut. The top card shall be drawn after completion of the cut. The file shall be searched beginning with the letter of the alphabet drawn for individual messages of the types named in § 64.223 whose identifying wire number ends in the digit drawn. If, after complete search of the file for messages delivered between 9:00 a.m. and 6:00 p.m., local time, the quota for tallying is not obtained, the succeeding alphabet card or cards shall be drawn and used in the order of their appearance in the pack from the top down.

(2) Where delivered messages are filed in sent number sequence or in delivered time order or route records are filed in route out or return time order, a set of 9 cards shall be prepared, each card bearing one of the hours 9:00 a.m. to 10:00 a.m. through 5:00 p.m. to 6:00 p.m. The set of cards shall be shuffled face down and the deck cut. The top card shall be drawn after completion of the cut. The file shall be searched beginning with the hour drawn for individual messages whose identifying wire number ends in the digit drawn. If after complete search of the file for messages delivered between 9:00 a.m. and 6:00 p.m., local time, the quota for tallying is not obtained, another digit shall be selected in accordance with § 64.244(a)(2).

(d) Offices delivering business messages by messenger shall select individual messages of the types named in § 64.223 from route records in accordance with paragraphs (a) and (c)(2) of this section.

* * * * *

10. In § 64.271, paragraph (c)(1) and (2) are amended to read as follows:

§ 64.271 Selection and tally.

* * * * *

(c) * * *

(1) The name or designation of each outgoing line transmitter directly connected to a tieline within the city or in a distant city shall be entered on a list or on a set of consecutively numbered cards. The designation of these channels on the list cards shall be arranged so as to facilitate examination of the line transmitters.

(2) Each line transmitter at reperforator relay offices used to deliver telegrams directly to tieline customers shall be observed. Where a single tieline is associated with one line transmitter only, the first message of the types named in § 64.223 which it is possible to tally by time interval shall be tallied. Thereafter, the tally clerk shall move to the next tieline, observations continuing until the required number of messages has been tallied. If any tieline is observed for two minutes without tally, the clerk shall move to the next line transmitter concerned. If, after all listed tielines have been examined, an insufficient number of messages have been tallied, observations shall be continued starting with the first tieline observed that day. The last tieline examined on one observation shall be the first tieline examined on the next observation. Where several tielines are associated with one line transmitter, such as in the case of a five-station concentrated sending rack, a total number of messages equal to the number of tielines in the group shall be tallied. Where the rack is equipped with a monitor printer and an automatic time and date transmitter, the tally may be made from the monitor reel instead of the line transmitter.

* * * * *

11. Section 64.291 is amended to read as follows:

§ 64.291 Origin to destination speed of service reports.

Reports of Origin to Destination speed of service sampling at each city designated in § 64.221 shall be summarized for all cities studied to show separately for each delivery method, telephone, tieline and messenger, the number of messages tallied, average speed of service in minutes, the percent delivered in the stated number of minutes, and a weighting factor for each of the seventy-five cities. The weighting factor shall be that proportion of the total delivered load (for the full month, including Saturdays, Sundays and holidays) in that method and city to the total delivered load (for the full month) in the same method for the seventy-five cities. The weighting factors shall be computed annually based on delivered loads for the month of March.

12. Section 64.295 is amended to read as follows:

§ 64.295 Additional speed of service reports required.

(a) The Western Union Telegraph Company shall file with the Commission for its information, not later than the 25th date of each succeeding month, reports in quadruplicate of any additional monthly recurring speed of service studies it may make.

(b) Two copies of all general instructions (and of any amendments thereto) issued to the field offices for the preparation of the studies required by this section shall be filed with the Commission upon issuance.

[F.R. Doc. 60-7599; Filed, Aug. 12, 1960; 8:49 a.m.]

Title 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

SUBCHAPTER B—HUNTING AND POSSESSION OF WILDLIFE

PART 8—PROCLAMATIONS DESIGNATING AREAS CLOSED TO HUNTING

Certain Lands and Waters Adjacent to Martin National Wildlife Refuge, Maryland

On page 4751 of the FEDERAL REGISTER of May 28, 1960, there was published a notice and text of a proposed designation of an area closed to the hunting of migratory birds, under part 8 of Title 50, Code of Federal Regulations. The purpose of the designation is to aid administration of the Martin National Wildlife Refuge and to increase the effectiveness of the refuge for the purposes for which it was acquired by the United States.

Interested persons were given 30 days within which to submit written com-

ments, suggestions, or objections to the proposed designation. No comments, suggestions, or objectives have been received, and the proposed designation is hereby adopted without change and is set forth below. This designation shall become effective at the beginning of the 30th calendar day following the date of this publication in the FEDERAL REGISTER.

The text of the designation is as follows:

By virtue of and pursuant to section 3 of the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), as amended by the Act of June 20, 1936 (49 Stat. 1555), and by virtue of the Reorganization Plan II (53 Stat. 1431), and in accordance with section 4(a) of the Administrative Procedure Act of June 11, 1946 (60 Stat. 238), I, Fred A. Seaton, Secretary of the Interior, having due regard to the zones of temperature and to the distribution, abundance, economic value, breeding habits, and times and lines of migratory flight of migratory birds included in the terms of the Convention between the United States and Great Britain for the protection of migratory birds, concluded August 16, 1916, and the Convention between the United States and the United Mexican States for the protection of migratory birds and game mammals, concluded February 7, 1936, do hereby designate as a closed area in or on which pursuing, hunting, taking, capturing, or killing of migratory birds, or attempting to take, capture, or kill migratory birds is not permitted, all of those areas of water and tidal flats lying within 300 yards of the natural shore abutting on lands of the Martin National Wildlife Refuge, situate on that part of Smith Island lying north of the Big Thorofare, Somerset County, Maryland, except that the above-described closed area shall not extend southwest of the medial line of the channel known as Little Thorofare.

FRED A. SEATON,
Secretary of the Interior.

AUGUST 9, 1960.

[F.R. Doc. 60-7576; Filed, Aug. 12, 1960; 8:47 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR (1954) Part 1]

DEFINITION OF PROPERTY

Notice of Proposed Rule Making

Pursuant to the Administrative Procedure Act, approved June 11, 1946, proposed regulations under section 614 of the Internal Revenue Code of 1954 were published in tentative form with a notice of proposed rule making in the FEDERAL REGISTER for November 3, 1956 (21 F.R. 8452). Notice is hereby given that such proposed regulations are withdrawn.

Further, notice is hereby given, pursuant to the Administrative Procedure Act, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate, in substitution for the proposed regulations hereinbefore withdrawn. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: T:P, Washington 25, D.C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such a case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

The following regulations are hereby prescribed under section 614 of the Internal Revenue Code of 1954, as amended by section 37 of the Technical Amendments Act of 1958 (72 Stat. 1633), relating to the definition of property. Such regulations are applicable for taxable years beginning after December 31, 1953, and ending after August 16, 1954, except as otherwise provided.

§ 1.614 Statutory provisions; definition of property.

SEC. 614. *Definition of property*—(a) *General rule.* For the purpose of computing the depletion allowance in the case of mines, wells, and other natural deposits, the term "property" means each separate interest owned by the taxpayer in each mineral deposit in each separate tract or parcel of land.

(b) *Special rule as to operating mineral interests*—(1) *Election to aggregate separate interests.* If a taxpayer owns two or more separate operating mineral interests which constitute part or all of an operating unit, he may elect (for all purposes of this subtitle)—

(A) To form one aggregation of, and to treat as one property, any two or more of such interests; and

(B) To treat as a separate property each such interest which he does not elect to include within the aggregation referred to in subparagraph (A).

For purposes of the preceding sentence, separate operating mineral interests which constitute part or all of an operating unit may be aggregated whether or not they are included in a single tract or parcel of land and whether or not they are included in contiguous tracts or parcels. A taxpayer may not elect to form more than one aggregation of operating mineral interests within any one operating unit.

(2) *Manner and scope of election.* The election provided by paragraph (1) shall be made, for each operating mineral interest in accordance with regulations prescribed by the Secretary or his delegate, not later than the time prescribed by law for filing the return (including extensions thereof) for whichever of the following taxable years is the later: The first taxable year beginning after December 31, 1953, or the first taxable year in which any expenditure for exploration, development, or operation in respect of the separate operating mineral interest is made by the taxpayer after the acquisition of such interest. Such an election shall be binding upon the taxpayer for all subsequent taxable years, except that the Secretary or his delegate may consent to a different treatment of the interest with respect to which the election has been made.

(3) *Operating mineral interests defined.* For purposes of this subsection, the term "operating mineral interest" includes only an interest in respect of which the costs of production of the mineral are required to be taken into account by the taxpayer for purposes of computing the 50 percent limitation provided for in section 613, or would be so required if the mine, well, or other natural deposit were in the production stage.

(4) *Termination with respect to mines.* Except in the case of oil and gas wells—

(A) An election made under the provisions of this subsection shall not apply with respect to any taxable year beginning after December 31, 1957, and

(B) If a taxpayer makes an election under the provisions of subsection (c)(3)(B) for any operating mineral interest which constitutes part or all of an operating unit, an election made under the provisions of this subsection shall not apply with respect to any operating mineral interest which constitutes part or all of such operating unit for any taxable year for which the election under subsection (c)(3)(B) is effective.

(c) *1958 Special rules as to operating mineral interests in mines*—(1) *Election to aggregate separate interests.* Except in the case of oil and gas wells, if a taxpayer owns two or more separate operating mineral interests which constitute part or all of an operating unit, he may elect (for all purposes of this subtitle)—

(A) To form an aggregation of, and to treat as one property, all such interests owned by him which comprise any one mine or any two or more mines; and

(B) To treat as a separate property each such interest which is not included within an aggregation referred to in subparagraph (A).

For purposes of this paragraph, separate operating mineral interests which constitute part or all of an operating unit may be aggregated whether or not they are included in a single tract or parcel of land and whether or not they are included in contiguous tracts or parcels. For purposes of this paragraph, a taxpayer may elect to form more than one aggregation of operating mineral interests within any one operating unit; but no aggregation may include any operating mineral interest which is a part of a mine without including all of the operating mineral interests which are a part of such mine in the first taxable year for which the election to aggregate is effective, and any operating mineral interest which thereafter becomes a part of such mine shall be included in such aggregation.

(2) *Election to treat a single interest as more than one property.* Except in the case of oil and gas wells, if a single tract or parcel of land contains a mineral deposit which is being extracted, or will be extracted, by means of two or more mines for which expenditures for development or operation have have been made by the taxpayer, then the taxpayer may elect to allocate to such mines, under regulations prescribed by the Secretary or his delegate, all of the tract or parcel of land and of the mineral deposit contained therein, and to treat as a separate property that portion of the tract or parcel of land and of the mineral deposit so allocated to each mine. A separate property formed pursuant to an election under this paragraph shall be treated as a separate property for all purposes of this subtitle (including this paragraph). A separate property so formed may, under regulations prescribed by the Secretary or his delegate, be included as a part of an aggregation in accordance with paragraphs (1) and (3), but the provisions of paragraph (4) shall not apply with respect to such separate property. The election provided by this paragraph may not be made with respect to any property which is a part of an aggregation formed by the taxpayer under paragraph (1) except with the consent of the Secretary or his delegate.

(3) *Manner and scope of election*—(A) *In general.* Except as provided in subparagraph (D), the election provided by paragraph (1) shall be made for each operating mineral interest, in accordance with regulations prescribed by the Secretary or his delegate, not later than the time prescribed by law for filing the return (including extensions thereof) for whichever of the following taxable years is the later: The first taxable year beginning after December 31, 1957, or the first taxable year in which any expenditure for development or operation in respect of the separate operating mineral interest is made by the taxpayer after the acquisition of such interest. Except as provided in subparagraph (D), the election provided by paragraph (2) shall be made for any property, in accordance with regulations prescribed by the Secretary or his delegate, not later than the time prescribed by law for filing the return (including extensions thereof) for whichever of the following taxable years is the later: The first taxable year beginning after December 31, 1957, or the first taxable year in which expenditures for development or operation of more than one mine in respect of the property are made by the taxpayer after the acquisition of the property.

No election may be made pursuant to this subparagraph for any operating mineral interest which constitutes part or all of an operating unit if the taxpayer makes an election pursuant to subparagraph (B) with respect to any operating mineral interest which constitutes part or all of such operating unit.

(B) *Taxable years beginning before January 1, 1958.* The election provided by paragraph (1) may, at the election of the taxpayer, be made for each operating mineral interest, in accordance with regulations prescribed by the Secretary or his delegate, within the time provided in subparagraph (D), for whichever of the following taxable years is the later (not including any taxable year in respect of which an assessment of deficiency is prevented on the date of the enactment of the Technical Amendments Act of 1958 by the operation of any law or rule of law): The first taxable year of the taxpayer which begins after December 31, 1953, and ends after August 16, 1954, or the first taxable year in which any expenditure for development or operation in respect of the separate operating mineral interest is made by the taxpayer after the acquisition of such interest. The election provided by paragraph (2) may, at the election of the taxpayer, be made for any property, in accordance with regulations prescribed by the Secretary or his delegate, within the time prescribed in subparagraph (D), for whichever of the following taxable years is the later (not including any taxable year in respect of which an assessment of deficiency is prevented on the date of the enactment of the Technical Amendments Act of 1958 by the operation of any law or rule of law): The first taxable year beginning after December 31, 1953, and ending after August 16, 1954, or the first taxable year in which expenditures for development or operation of more than one mine in respect of the property are made by the taxpayer after the acquisition of the property.

(C) *Effect.* An election made under paragraph (1) or (2) shall be binding upon the taxpayer for all subsequent taxable years, except that the Secretary or his delegate may consent to a different treatment of any interest with respect to which an election has been made.

(D) *Election after final regulations.* Notwithstanding any other provision of this paragraph the time for making an election under paragraph (1) or (2) shall not expire prior to the first day of the first month which begins more than 90 days after the date of publication in the FEDERAL REGISTER of final regulations issued under the authority of this subsection.

(E) *Statute of limitations.* If the taxpayer makes an election pursuant to subparagraph (B) and if assessment of any deficiency for any taxable year resulting from such election is prevented on the first day of the first month which begins more than 90 days after the date of publication in the FEDERAL REGISTER of final regulations issued under authority of this subsection, or at any time within one year after such day, by the operation of any law or rule of law, such assessment may, nevertheless, be made if made within one year after such day. An election by a taxpayer pursuant to subparagraph (B) shall be considered as a consent to the assessment pursuant to this subparagraph of any such deficiency. If refund or credit of any overpayment of income tax resulting from an election made pursuant to subparagraph (B) is prevented on such day, or at any time within one year after such day, by the operation of any law or rule of law, refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed within one year after such day This subparagraph shall not apply to any taxable year in respect of which an assessment of a deficiency, or a refund or credit of an overpayment, as the case may be, is prevented by the operation of any law or rule of law on the date of the enactment of the Technical Amendments Act of 1958.

(4) *Special rule as to deductions under section 615(a) prior to aggregation*—(A) *In general.* If an aggregation of operating mineral interests formed under paragraph (1) includes any interest or interests in respect of which exploration expenditures, paid or incurred after the acquisition of such interest or interests, were deducted by the taxpayer under section 615(a) for any taxable year all or any portion of which precedes the date on which such aggregation becomes effective, or the date on which such interest or interests become a part of such aggregation (as the case may be), then the tax imposed by this chapter for such taxable year shall be recomputed as provided in subparagraph (B). In the case of any taxable year beginning before January 1, 1958, this subparagraph shall apply to exploration expenditures deducted in respect of any interest or interests for such taxable year, only if such interest or interests constitute part or all of any operating unit with respect to which the taxpayer makes an election pursuant to paragraph (3)(B) which is applicable with respect to such taxable year.

(B) *Recomputation of tax.* A recomputation of the tax imposed by this chapter shall be made for each taxable year described in subparagraph (A) for which exploration expenditures were deducted as though, for each such year, an election had been made to aggregate the separate operating mineral interest or interests with respect to which such exploration expenditures were deducted with those operating mineral interests included in the aggregation formed under paragraph (1) in respect of which any expenditure for exploration, development, or operation had been made by the taxpayer before or during the taxable year to which such election would apply. A recomputation of the tax imposed by this chapter (or by the corresponding provisions of the Internal Revenue Code of 1939) shall also be made for taxable years affected by the recomputation described in the preceding sentence. If the tax so recomputed for any taxable year or years, by reason of the application of this paragraph, exceeds the tax liability previously determined for such year or years, such excess shall be taken into account in the first taxable year to which the election to aggregate under paragraph (1) applies and succeeding taxable years as provided in subparagraph (C).

(C) *Increase in tax.* The tax imposed by this chapter for the first taxable year to which the election to aggregate under paragraph (1) applies, and for each succeeding taxable year until the full amount of the excess described in subparagraph (B) has been taken into account, shall be increased by an amount equal to the quotient obtained by dividing such excess by the total number of taxable years described in subparagraph (A) in respect of which—

(i) Exploration expenditures were deducted by the taxpayer under section 615(a), and

(ii) The recomputation of tax described in the first sentence of subparagraph (B) results in an increase in tax or a reduction of a net operating loss.

If the taxpayer dies or ceases to exist, then so much of the excess described in subparagraph (B) as was not taken into account under the preceding sentence for taxable years preceding such death, or such cessation of existence, shall be taken into account for the taxable year in which such death, or such cessation of existence, occurs.

(D) *Basis adjustment.* If the tax liability of a taxpayer is increased by reason of the application of this paragraph, proper adjustments shall be made with respect to the basis of the aggregated property owned by such taxpayer, in accordance with regulations prescribed by the Secretary or his delegate, as though the tax liability of the taxpayer for the prior taxable year or years had been determined in accordance with the recomputation of tax described in subparagraph (B).

(5) *Operating mineral interests defined.* For purposes of this subsection, the term "operating mineral interest" has the meaning as assigned to it by subsection (b)(3).

(d) *1939 Code treatment with respect to operating mineral interests in case of oil and gas wells.* In the case of oil and gas wells, any taxpayer may treat any property (determined as if the Internal Revenue Code of 1939 continued to apply) as if subsections (a) and (b) had not been enacted. If any such treatment would constitute an aggregation under subsection (b), such treatment shall be taken into account in applying subsection (b) to other property of the taxpayer.

(e) *Special rule as to nonoperating mineral interests*—(1) *Aggregation of separate interests.* If a taxpayer owns two or more separate nonoperating mineral interests in a single tract or parcel of land or in two or more adjacent tracts or parcels of land, the Secretary or his delegate shall, on showing by the taxpayer that a principal purpose is not the avoidance of tax, permit the taxpayer to treat (for all purposes of this subtitle) all such mineral interests in each separate kind of mineral deposit as one property. If such permission is granted for any taxable year, the taxpayer shall treat such interests as one property for all subsequent taxable years unless the Secretary or his delegate consents to a different treatment.

(2) *Nonoperating mineral interests defined.* For purposes of this subsection, the term "nonoperating mineral interests" includes only interests which are not operating mineral interests within the meaning of subsection (b)(3).

[Sec. 614 as amended by sec. 37, Technical Amendments Act, 1958 (72 Stat. 1633)]

Section 614 relates to the definition of property and to the various special rules by means of which taxpayers are permitted to aggregate separate properties. These rules are set forth in detail in §§ 1.614–1 through 1.614–6. Section 1.614–1 sets forth rules under section 614(a) relating to the definition of the term "property". Section 1.614–2 contains the rules relating to the election under section 614(b) to aggregate operating mineral interests. In the case of mines, the rules contained in § 1.614–2 are applicable only to taxable years beginning before January 1, 1958, to which the Internal Revenue Code of 1954 applies. In the case of oil and gas wells, the rules contained in § 1.614–2 are applicable for all taxable years to which the 1954 Code applies. In the case of oil and gas wells, the taxpayer may, however, treat any operating mineral interests as if section 614 (a) and (b) had not been enacted. If any operating mineral interests are so treated, the rules contained in § 1.614–2 are not applicable to such interests and such interests are subject to the rules set forth in § 1.614–4 relating to the 1939 Code treatment of separate operating mineral interests in the case of oil and gas wells. Section 1.614–3 prescribes the rules relating to the election under section 614(c)(1) permitting the aggregation of operating mineral interests in the cases of mines for taxable years beginning after December 31, 1957. Section 1.614–3 also sets forth rules relating to the election under section 614(c)(2) in the case of mines

by means of which a taxpayer is permitted to treat a single operating mineral interest as more than one such interest for taxable years beginning after December 31, 1957. At the election of the taxpayer with respect to an operating unit, the rules contained in § 1.614–3 are also applicable to taxable years beginning before January 1, 1958, to which the 1954 Code applies. If the taxpayer makes such an election, the rules contained in § 1.614–2 are not applicable to any of the operating mineral interests which are part of the operating unit with respect to which the election described in § 1.614–3 is made. Section 1.614–5 sets forth the rules relating to the aggregation of nonoperating mineral interests. Section 1.614–6 contains the rules relating to basis, holding period, and abandonment and casualty losses where properties have been aggregated.

§ 1.614–1 Definition of property.

(a) *General rule.* (1) For purposes of subtitle A of the Internal Revenue Code of 1954, in the case of mines, wells, and other natural deposits, the term "property" means each separate interest owned by the taxpayer in each mineral deposit in each separate tract or parcel of land.

(2) The term "interest" means an economic interest in a mineral deposit. See paragraph (b) of § 1.611–1. The term includes working or operating interests, royalties, overriding royalties, production payments and net profits interests.

(3) The term "tract or parcel of land" is merely descriptive of the physical scope of the land to which the taxpayer's interest relates. It is not descriptive of the nature of his rights or interests in the land. All contiguous areas (even though separately described) included in a single conveyance or grant or in separate conveyances or grants at the same time from the same owner constitute a single separate tract or parcel of land. Areas included in separate conveyances or grants (whether or not at the same time) from separate owners are separate tracts or parcels of land even though the areas described may be contiguous. If the taxpayer's rights or interests within the same tract or parcel of land are dissimilar, then each such dissimilar interest constitutes a separate property. If the taxpayer's rights or interests (whether or not dissimilar) within the same tract or parcel of land relate to more than one separate mineral deposit, then his interest with respect to each such separate deposit is a separate property.

(4) The provisions of this paragraph may be illustrated by the following examples:

Example (1). A taxpayer owns one tract of land under which lie three separate and distinct seams of coal. Therefore, the taxpayer owns three separate mineral interests each of which constitutes a separate property.

Example (2). A taxpayer conducts mining operations on eight tracts of land as a single unit. He acquired his interests in each of the eight tracts from separate owners. Even if each tract of land contains part of the same mineral deposit, the taxpayer owns eight separate mineral interests each of which constitutes a separate property.

Example (3). A taxpayer owns a tract of land under which lies one mineral deposit. The taxpayer operates a well on part of the tract and leases to another operator the mineral rights in the remainder retaining a royalty interest therein. The taxpayer thereafter owns two separate mineral interests each of which constitutes a separate property.

Example (4). In 1954, a taxpayer acquires from a single owner, in a single deed, three noncontiguous tracts of mineral land for a single consideration. Even if each tract contains part of the same mineral deposit, the taxpayer owns three separate mineral interests each of which constitutes a separate property.

Example (5). In 1954, taxpayer A simultaneously acquires in fee two contiguous tracts of mineral land from two separate owners. The same mineral deposit underlies both tracts. Thereafter, taxpayer A owns two separate mineral interests each of which constitutes a separate property.

Example (6). Assume that in 1955, taxpayer A, in example (5), leases the two contiguous tracts of mineral land that he acquired in 1954 to taxpayer B by means of a single lease. Thereafter, taxpayer B owns one mineral interest which constitutes a separate property for such time as the lease continues in existence.

Example (7). Assume that in 1955, taxpayer A, in example (5), transfers all the mineral land he acquired in 1954 to taxpayer B by means of a single conveyance. Thereafter, taxpayer B owns one mineral interest which constitutes a separate property.

Example (8). In 1954, taxpayer A simultaneously acquires two contiguous leasehold interests from two separate owners. The same mineral deposit underlies both tracts. Thereafter, taxpayer A owns two separate mineral interests each of which constitutes a separate property.

Example (9). In 1955, taxpayer A, in example (8), simultaneously assigns the two leases to taxpayer B. Thereafter, taxpayer B owns two separate mineral interests each of which constitutes a separate property.

(b) *Separation of interests treated as "single property" under prior regulations.* Each separate mineral interest which, in accordance with paragraph (a) of this section, is a separate property shall be so treated, notwithstanding the fact that the taxpayer under paragraph (i) of § 39.23(m)–1 of Regulations 118 (26 CFR (1939) 39.23(m)–1(i)) and corresponding provisions of prior regulations may have treated more than one of such interests as a "single property." The basis of each such separate property must be established by a reasonable method. See, however, section 614 (b), (c), (d), and (e) and §§ 1.614–2, 1.614–3, 1.614–4, and 1.614–5 for special rules relating to the treatment of two or more separate mineral interests as a single property.

(c) *Treatment of a waste bank or residue.* A waste bank or residue of prior mining, the extraction of ores or minerals from which is treated as mining under section 613(c)(3), shall not be considered to be a separate mineral deposit but is a part of the mineral deposit from which it was extracted. However, if the owner of such waste bank or residue has disposed of the deposit from which the waste bank or residue was accumulated, or if the waste bank or residue cannot practicably be attributed to a particular deposit of the owner, the waste bank or residue will be regarded as a separate deposit.

§ 1.614–2 Election to aggregate separate operating mineral interests under section 614(b).

(a) *General rule.* A taxpayer who owns two or more separate operating mineral interests, which constitute part or all of an operating unit, may elect under section 614(b) and this section to form one aggregation of any two or more of such operating mineral interests and to treat such aggregation as one property. Any operating mineral interest which the taxpayer does not elect to include within the aggregation shall be treated as a separate property. The aggregation of separate properties which results from exercising the election shall be considered as one property for all purposes of subtitle A of the Internal Revenue Code of 1954. The preceding sentence does not preclude the use of more than one account under a single method of computing depreciation or the use of more than one method of computing depreciation under section 167, if otherwise proper. Any reasonable and consistently applied method or methods of computing depreciation of the improvements made with respect to the separate properties aggregated may be continued in accordance with section 167 and the regulations thereunder. Operating interests in different minerals which comprise part or all of the same operating unit may be included in the aggregation. It is not necessary for purposes of the aggregation that the separate operating mineral interests be included in a single tract or parcel of land or in contiguous tracts or parcels of land so long as such interests are a part of the same operating unit. Under section 614(b), a taxpayer cannot elect to form more than one aggregation of separate operating mineral interests within one operating unit. For definitions of "operating mineral interest" and "operating unit" see respectively paragraphs (b) and (c) of this section.

(b) *Operating mineral interest defined.* The term "operating mineral interest" means a separate mineral interest as described in section 614(a), in respect of which the costs of production are required to be taken into account by the taxpayer for purposes of computing the limitation of 50 percent of the taxable income from the property in determining the deduction for percentage depletion computed under section 613, or such costs would be so required to be taken into account if the mine, well, or other natural deposit were in the production stage. The term does not include royalty interests or similar interests, such as production payments or net profits interests. "Costs of production" for purposes of this paragraph do not include intangible drilling and development costs, exploration expenditures under section 615, or development expenditures under section 616. Production taxes payable by holders of nonoperating interests are not considered costs of production for this purpose. A taxpayer may not aggregate operating mineral interests and nonoperating mineral interests such as royalty interests.

(c) *Operating unit defined.* (1) The term "operating unit" refers to the op-

erating mineral interests which are operated together for the purpose of producing minerals. An "operating unit" of a particular taxpayer must be determined on the basis of his own operations. It is recognized that operating units may not be uniform in the various natural resources industries or in any one of the natural resources industries, such as coal, oil and gas, and the like. As to a particular taxpayer, business reasons may require the formation of operating units that vary in size and content. The term "operating unit" refers to a producing unit, and not to an administrative or sales organization. Among the factors which indicate that mineral interests are operated together as a unit are—

(i) Common field or operating personnel,

(ii) Common supply and maintenance facilities,

(iii) Common processing or treatment plants, and

(iv) Common storage facilities.

However, operating mineral interests which are geographically widespread may not be treated as parts of the same operating unit merely because a single set of accounting records, a single executive organization, or a single sales force is maintained by the taxpayer with respect to such interests, or merely because the products of such interests are processed at the same treatment plant.

(2) An undeveloped operating mineral interest shall be aggregated only with those interests with which it will be operated as a unit when it reaches the production stage.

(3) While a taxpayer may operate an operating mineral interest through an agent, a coowner may aggregate only his operating mineral interests that are actually operated as a unit. For example, if A owned and actually operated the entire working interest in lease X and also owned an undivided fraction of lease Y in which B owned the remaining interest and which B actually operated as a unit with lease Z, A may not aggregate his interest in lease X with his undivided interest in lease Y, since they are not actually operated as a unit.

(4) The determination of the taxpayer as to what constitutes an operating unit is to be accepted unless there is a clear and convincing basis for a change in such determination.

(d) *Manner and scope of election*—(1) *Election; when made.* (i) Except as provided in subparagraph (2)(ii) of this paragraph, the election under section 614(b) and paragraph (a) of this section to treat an operating mineral interest as part of an aggregation shall be made not later than the time prescribed by law for filing the taxpayer's income tax return (including extensions thereof), for whichever of the following taxable years is the later:

(*a*) The first taxable year beginning after December 31, 1953, and ending after August 16, 1954, or

(*b*) The first taxable year in which any expenditure for exploration, development, or operation in respect of the separate operating mineral interest is made by the taxpayer after the acquisition of such interest.

The election under section 614(b) may not be made with respect to any taxable year beginning after December 31, 1957, except in the case of oil and gas wells. See paragraph (e) of this section for rules with respect to the termination of the election under section 614(b) except in the case of oil and gas wells. If an expenditure has been made in respect of a separate operating mineral interest, it is immaterial whether or not any proven deposit has been discovered with respect to such interest when such expenditure has been made. The provisions of this subdivision may be illustrated by the following example:

Example. Taxpayer A is producing from an oil and gas horizon and in 1958 he drills for the purpose of locating a deeper horizon which will be operated in the same operating unit as the upper producing horizon. At the end of the taxable year 1958 he has expended $50,000 drilling for the purpose of locating a deeper horizon although at such time there is no assurance that such a horizon will be found. If taxpayer A desires to aggregate the deeper horizon, if found, with the upper horizon under section 614(b), he must elect to do so in his return for 1958. If the election to aggregate the upper and lower horizons as one property is made, the drilling expenditures with respect to the prospective lower horizon must be taken into account along with the income and expenses with respect to the upper producing horizon in computing the depletion allowance on the aggregated property.

However, where expenditures for development of, or production from, a particular mineral deposit result in the discovery of another mineral deposit, the election with respect to such other deposit shall be made for the taxable year in which it is discovered and not for the taxable year in which the expenditures were first made which resulted in such discovery.

(ii) Except in the case of oil and gas wells, if a taxpayer fails to make an election under section 614(b) to aggregate a particular operating mineral interest on or before the time prescribed for the making of such election, such interest will be treated as if an election had been made under section 614(b) to treat it as a separate property and it cannot be included in any aggregation within the operating unit of which it is a part unless the taxpayer obtains the consent of the Commissioner. However, where the taxpayer owns more than one property within an operating unit, but no aggregation has been made within such unit and another operating mineral interest is subsequently acquired, the latter may be aggregated with one of the existing separate properties within the operating unit but not with more than one of them since they cannot be validly aggregated with each other.

(iii) In the case of oil and gas wells, if the taxpayer fails to make an election under section 614(b) with respect to a particular operating mineral interest on or before the time prescribed for the making of such election, the taxpayer shall be deemed to have treated such interest under the provisions of section 614(d). See section 614(d) and § 1.614-4.

(iv) For purposes of section 614(b), the acquisition of an option to acquire an economic interest in minerals in place does not constitute the acquisition of a mineral interest. Thus, a taxpayer who makes expenditures for the exploration of minerals on a particular tract under an option to acquire an economic interest in minerals in place is not required to make an election with respect to such interest at that time. Furthermore, the election need not be made in the taxable year in which payments are made for the acquisition of a lease, such as the payment of a bonus, unless exploratory, development, or operation expenditures are made thereafter with respect to the property in that year.

(2) *Election; how made.* (i) The election under section 614(b) must be made by a statement attached to the income tax return of the taxpayer for the first taxable year for which the election is made. This statement shall indicate that the taxpayer is making an aggregation of separate operating mineral interests within an operating unit under section 614(b) and shall contain a description of the separate operating mineral interests forming the aggregation and the operating mineral interests within the operating unit which are to be treated as separate properties apart from the aggregation. The statement shall also contain a description of the operating unit in sufficient detail to show that the aggregated operating mineral interests are properly within a single operating unit. See paragraph (c) of this section. The taxpayer shall maintain adequate records and maps in support of the above information. In the event expenditures are first made on an operating mineral interest within an operating unit after an election with respect to the aggregation of interests in that operating unit has been made, the taxpayer shall furnish only information describing such operating mineral interest, its location in the operating unit, and whether it is to be included within the aggregation.

(ii) If the taxpayer made or did not make the election under section 614(b) with respect to a particular operating mineral interest and the last day prescribed by law for filing the return (including extensions of time therefor) on which the election was required to be made falls on or before the first day of the first month which begins more than 90 days after the regulations under section 614 are published in the FEDERAL REGISTER as a Treasury decision, consent is hereby given to the taxpayer to make or change the election not later than the first day of such first month. Any such election or change of such election shall be effective with respect to the earliest taxable year to which the election is applicable in respect of which assessment of a deficiency or credit or refund of an overpayment, as the case may be, resulting from such election or change is not prevented by any law or rule of law on the date such election or change is made. An election or change of election made pursuant to this subdivision shall be binding upon the taxpayer for the first taxable year for which

it is effective and for all subsequent taxable years unless consent to a different treatment is obtained from the Commissioner. (See, however, paragraph (e) of this section for rules relating to the termination and nonapplicability of the election under section 614(b) except in the case of oil and gas wells.) Such election or change shall be made in the form of a statement setting forth the nature of the election or change, including information substantially the same as that required by subdivision (i) of this subparagraph, and shall be accompanied by an amended return or returns if necessary or, if appropriate, a claim for refund or credit. The appropriate documents must be filed on or before the first day of such first month with the district director for the district in which the original return was filed.

(3) *Election, when effective.* If a taxpayer has elected to aggregate an operating mineral interest, the date on which the aggregation becomes effective is the earliest date within the taxable year affected, on which the taxpayer incurred any expenditure for exploration, development, or operation of such interest. The application of this rule may be illustrated by the following examples:

Example (1). In 1953, a taxpayer owned and operated mineral interests Nos. 1, 2, and 3. All three interests form one operating unit. The taxpayer, who files his return on a calendar year basis, continued to own and operate these interests during the year 1954, and in his return for that year, filed on April 15, 1955, elected to aggregate these three interests. As the result of this election, the aggregation was effective for all purposes of subtitle A of the Internal Revenue Code of 1954 as of January 1, 1954.

Example (2). Assume that, on March 1, 1955, the taxpayer described in example (1) acquired operating mineral interest No. 4 which was also a part of the operating unit composed of operating mineral interests Nos. 1, 2, and 3, that he made his first expenditure for exploration with respect to operating mineral interest No. 4 on September 1, 1955, and that, in his return filed on April 15, 1956, he elected to aggregate operating mineral interest No. 4 with the aggregation consisting of Nos. 1, 2, and 3. As the result of that election, operating mineral interest No. 4 became a part of the aggregation for all purposes of subtitle A of the Internal Revenue Code of 1954 on September 1, 1955.

(4) *Election; binding effect.* A valid election made under section 614(b) and this section shall be binding upon the taxpayer for the taxable year for which made and all subsequent taxable years unless consent to make a change is obtained from the Commissioner. However, see paragraph (e) of this section for rules with respect to the termination of the election under section 614(b) except in the case of oil and gas wells. A taxpayer can neither include within the aggregation a separate operating mineral interest which he had previously treated apart from such aggregation, nor exclude from the aggregation a separate operating mineral interest previously included therein unless consent to do so is obtained from the Commissioner. However, since an aggregation can include only those operating mineral interests which are a part of the same operating unit, in any case in which the taxpayer's operations have changed so that an operating mineral interest included in an aggregation is no longer a part of the operating unit, the taxpayer cannot continue the aggregation but must either—

(i) Treat each operating mineral interest included in the aggregation as a separate property, or

(ii) Obtain consent from the Commissioner to form a new aggregation or aggregations.

A change in tax consequences alone is not sufficient to obtain consent to change the treatment of an operating mineral interest. Applications for consent shall be made in writing to the Commissioner of Internal Revenue, Attention: Special Technical Services Division, Engineering and Valuation Branch, Washington 25, D.C. The application must be accompanied by a statement furnishing the information required under subdivision (i) of subparagraph (2) of this paragraph, unless such information has been previously filed and is current.

(5) *Invalid aggregations*—(i) *In general.* In addition to aggregations which are invalid under section 614(b) because of the failure to make timely elections, aggregations may be invalid under such section in situations which may be divided into two general categories. The first category involves basic aggregations which were timely but otherwise initially invalid or which become invalid because the facts and circumstances of the operations of the taxpayer have changed the operating unit or units. The second category involves invalid additions of operating mineral interests to basic aggregations which additions became subject to the election in years subsequent to the year in which the initial basic aggregation or aggregations were formed.

(ii) *Invalid basic aggregations.* The term "invalid basic aggregations" refers to those aggregations which were initially invalid or which have become invalid because of changes in the operating unit or units of the taxpayer after the initial basic aggregations were made. Generally, such basic aggregations will be invalid because more than one aggregation has been formed within an operating unit or because operating mineral interests in two or more operating units have been improperly aggregated. During any year in which an invalid basic aggregation exists, each operating mineral interest included in such aggregation shall be treated for all purposes as a separate property unless consent is obtained from the Commissioner to treat any such interest in a different manner. Such invalid basic aggregations may be formed:

(*a*) When the taxpayer made his election under section 614(b)(1) for the first year for which such election was effective,

(*b*) In any year during which more than one operating mineral interest which is not part of any existing operating unit of the taxpayer is made the subject of an election, and

(*c*) In any year during which the taxpayer's operating unit or units have changed.

The following are examples of these three types of invalid basic aggregations:

Example (1). In 1953, taxpayer A owned six operating mineral interests, designated No. 1 through No. 6, and he continued to own and operate such interests during 1954. He acquired no other operating mineral interests during such year. All six of these operating mineral interests form one operating unit. Since the first year for which section 614(b) is effective is 1954, A must make his initial election to aggregate these operating mineral interests in his income tax return for that year. Assume that A elected under section 614(b) to aggregate operating mineral interests Nos. 1 through 3 into one aggregation and Nos. 4 through 6 into another aggregation. Since A has formed two aggregations in one operating unit, they are invalid basic aggregations. Therefore, interests Nos. 1 through 6 must be treated as separate properties for 1954 and all subsequent taxable years unless consent is obtained from the Commissioner to treat any of such interests in a different manner.

Example (2). Assume the same facts as in example (1) except that taxpayer B acquired these six operating mineral interests by purchase from A and commenced operations in 1956. B's initial elections under section 614(b) would have to be made in his return for that year. If B elected to aggregate operating mineral interests Nos. 1, 2, and 3 into one aggregation and Nos. 4, 5, and 6 into another aggregation, he would have made invalid basic aggregations. Therefore, interests Nos. 1 through 6 would have to be treated as separate properties for 1956 and all subsequent taxable years unless consent was obtained from the Commissioner to treat any of such interests in a different manner.

Example (3). Assume the same facts as in example (1) and assume also that, in his return for 1954, A correctly elected to aggregate all six operating mineral interests into one aggregation under section 614(b). Assume further that all these operating mineral interests continued to be in one operating unit for the years 1954, 1955, and 1956 but that, because of changes in the facts and circumstances of A's operations, in 1957 operating mineral interests Nos. 1, 2, and 3 became a part of one operating unit and Nos. 4, 5, and 6 became a part of another operating unit. Because of the change in operating units of A, the basic aggregation that A made for 1954 became an invalid basic aggregation in 1957. Therefore, interests Nos. 1 through 6 must be treated as separate properties for 1957 and all subsequent taxable years unless consent is obtained from the Commissioner to treat any of such interests in a different manner.

(iii) *Invalid additions.* The term "additions" refers to the additions that a taxpayer makes by electing to aggregate an operating mineral interest with an aggregation formed in a previous year. Such additions will be invalid where the taxpayer either elected to aggregate an operating mineral interest with an invalid basic aggregation or elected to aggregate an operating mineral interest which is part of one operating unit with an aggregation of operating mineral interests which is a part of another operating unit. An operating mineral interest which is invalidly added to either a valid basic aggregation or to an invalid basic aggregation shall be considered as a separate property unless consent is obtained from the Commissioner to treat such interest in a different manner. The following are examples of invalid additions:

Example (1). In 1953, taxpayer A owned six operating mineral interests designated

No. 1 through No. 6 and he continued to own and operate such interests during 1954. He acquired no other operating mineral interests during that year. Nos. 1 through 3 formed one operating unit and Nos. 4 through 6 formed another operating unit. In his return for 1954, A incorrectly elected to aggregate all six operating mineral interests into one aggregation under section 614(b). In 1955, A acquired and commenced development of operating mineral interest No. 7 which is correctly a part of the operating unit of which operating mineral interests Nos. 1, 2, and 3 are a part. A elected under section 614(b), for the year 1955, to aggregate operating mineral interest No. 7 with the invalid basic aggregation composed of Nos. 1 through 6. Since operating mineral interest No. 7 was aggregated with an invalid basic aggregation, it is an invalid addition and must be treated as a separate property unless consent is obtained from the Commissioner to treat it in a different manner.

Example (2). In 1953, taxpayer A owned nine operating mineral interests designated No. 1 through No. 9. During 1954, he continued to own and operate such interests and acquired no other operating mineral interest. Interests No. 1 through No. 3 form one operating unit, Nos. 4 through 6 form another operating unit, and Nos. 7 through 9 form a third operating unit. For the year 1954, A elected under section 614(b) to aggregate operating mineral interests Nos. 1, 2, 3, and 4 into one aggregation, to treat Nos. 5 and 6 as separate properties, and to aggregate Nos. 7, 8, and 9 into another aggregation. Assume that in 1955 A acquired and commenced development of operating mineral interest No. 10 which was a part of the operating unit composed of Nos. 1, 2, and 3. Assume further that he elected under section 614(b) to aggregate No. 10 with the aggregation composed of Nos. 7, 8, and 9. This would be an invalid addition to a valid basic aggregation since operating mineral interest No. 10 was not properly a part of the operating unit formed by Nos. 7, 8, and 9. Therefore, interest No. 10 must be treated as a separate property for 1955 and all subsequent taxable years unless consent is obtained from the Commissioner to treat it in a different manner. However, the valid basic aggregation composed of interests Nos. 7 through 9 is not affected by the invalid addition of interest No. 10.

Example (3). Assume the same facts as in example (2) except that A elected under section 614(b) in 1955 to aggregate No. 10 with the aggregation of Nos. 1 through 4. This would also be an invalid addition because the aggregation composed of Nos. 1 through 4 is an invalid basic aggregation since operating mineral interest No. 4 is not a part of the operating unit consisting of Nos. 1, 2, and 3. Therefore, interest No. 10 must be treated as a separate property for 1955 and all subsequent taxable years unless consent is obtained from the Commissioner to treat such interest in a different manner.

(e) *Termination of election*—(1) *Taxable years beginning after December 31, 1957.* Except in the case of oil and gas wells, the election provided for under section 614(b) and paragraph (a) of this section to form an aggregation of separate operating mineral interests shall not apply with respect to any taxable year beginning after December 31, 1957. Thus, if a taxpayer makes a binding election under section 614(b) to form an aggregation of separate operating mineral interests within an operating unit for taxable years beginning before January 1, 1958, he must make a new election for the first taxable year beginning after December 31, 1957, under section 614(c) within the time prescribed in § 1.614–3 if he wishes to aggregate any separate operating mineral interests within such operating unit. A new election must be made under section 614(c) notwithstanding the fact that the aggregation formed under section 614(b) would constitute a valid aggregation under section 614(c). Failure to make such an election within the time prescribed shall constitute an election to treat each separate operating mineral interest within the operating unit as a separate property for taxable years beginning after December 31, 1957.

(2) *Taxable years beginning prior to January 1, 1958.* An election made under section 614(b) and paragraph (a) of this section to form an aggregation of separate operating mineral interests within a particular operating unit shall not apply with respect to any taxable year beginning prior to January 1, 1958, for which the taxpayer makes an election under section 614(c)(3)(B) and paragraph (f)(2) of § 1.614–3 which is applicable to any separate operating mineral interest within the same operating unit. The provisions of this subparagraph may be illustrated by the following examples:

Example (1). In 1953, taxpayer A owned six separate operating mineral interests, designated No. 1 through No. 6, which he operated as a unit. Operating mineral interests Nos. 1 through 5 comprise a mine, and operating mineral interest No. 6 represents one mineral deposit in a single tract of land which is being extracted by means of two mines. Taxpayer A previously made a binding election under section 614(b) to aggregate operating mineral interests Nos. 1 through 5 and to treat operating mineral interest No. 6 as a separate property. Under section 614(c) (2) and (3)(B) taxpayer A makes an election which is applicable for the taxable year 1954 and all subsequent taxable years to treat operating mineral interest No. 6 as two separate operating mineral interests. Therefore, the previous election of taxpayer A to aggregate operating mineral interests Nos. 1 through 5 under section 614(b) does not apply. Unless taxpayer A also makes an election to aggregate operating mineral interests Nos. 1 through 5 as one property under section 614(c) (1) and (3)(B) within the time prescribed in paragraph (f)(2) of § 1.614–3, he shall be deemed to have made an election to treat each of such interests as a separate property for 1954 and all subsequent taxable years.

Example (2). In 1953, taxpayer B owned six separate operating mineral interests, designated No. 1 through No. 6, which he operated as a unit. Operating mineral interests Nos. 1 through 3 comprise a mine and Nos. 4 through 6 comprise a second mine. Taxpayer B previously made a binding election under section 614(b) to aggregate operating mineral interests Nos. 1 through 3 and to treat Nos. 4 through 6 as separate properties. Under section 614(c) (1) and (3)(B) taxpayer B makes an election which is applicable for the taxable year 1954 and all subsequent taxable years to aggregate operating mineral interests Nos. 4 through 6 as one property. The previous election of the taxpayer under section 614(b) to aggregate operating mineral interests Nos. 1 through 3 does not apply even though such aggregation would constitute a valid aggregation if formed under section 614(c)(1). Therefore, if taxpayer B wishes to continue to treat operating mineral interests Nos. 1 through 3 as one property, he must also make an election to do so under section 614(c) (1) and (3)(B) within the time prescribed in paragraph (f)(2) of § 1.614–3.

(3) *Bases of separate operating mineral interests.* If an aggregation formed under section 614(b) is terminated by reason of the provisions of section 614(b)(4)(A), or is terminated under section 614(b)(4)(B) for any taxable year after the first taxable year to which the election under section 614(b) applies, the bases of the separate operating mineral interests included in such aggregation shall be determined in accordance with the rules contained in paragraph (a)(2) of § 1.614–6 as of the first day of the first taxable year for which the termination is effective. However, if by reason of the provisions of section 614(b)(4)(B), an election to aggregate under section 614(b) does not apply for any taxable year under the 1954 Code for which such election was made, the bases of the separate operating mineral interests included in the aggregation formed under section 614(b) shall be determined without regard to the election under section 614(b).

(f) *Alternative treatment of separate operating mineral interests in the case of oil and gas wells.* For rules relating to an alternative treatment of separate operating mineral interests in the case of oil and gas wells, see § 1.614–4.

§ 1.614–3 Rules relating to separate operating mineral interests in the case of mines.

(a) *Election to aggregate separate operating mineral interests*—(1) *General rule.* Except in the case of oil and gas wells, a taxpayer who owns two or more separate operating mineral interests, which constitute part or all of the same operating unit, may elect under section 614(c)(1) and this paragraph to form an aggregation of all such operating mineral interests which comprise any one mine or any two or more mines and to treat such aggregation as one property. The aggregated property which results from the exercise of such election shall be considered as one property for all purposes of subtitle A of the Internal Revenue Code of 1954. The preceding sentence does not preclude the use of more than one account under a single method of computing depreciation or the use of more than one method of computing depreciation under section 167, if otherwise proper. Any reasonable and consistently applied method or methods of computing depreciation of the improvements made with respect to the separate properties aggregated may be continued in accordance with section 167 and the regulations thereunder. It is not necessary for purposes of the aggregation that the separate operating mineral interests be included in a single tract or parcel of land or in contiguous tracts or parcels of land so long as such interests constitute part or all of the same operating unit. A taxpayer may elect to form more than one aggregation of separate operating mineral interests within one operating unit so long as each aggregation consists of all the separate operating mineral interests which comprise any one mine or any two or more mines. Thus, no aggregation may include any separate operating mineral interest which is a part of a mine without including all of the separate operating mineral

interests which comprise such mine in the first taxable year for which the election to aggregate is effective. Any separate operating mineral interest which becomes a part of such mine in a subsequent taxable year must also be included in such aggregation as of the taxable year that such interest becomes a part of such mine. The taxable year in which such interest becomes a part of such mine shall be determined upon the basis of the facts and circumstances of the particular case. If a taxpayer fails to make an election under this paragraph to aggregate a particular operating mineral interest (other than an interest which becomes a part of a mine with respect to which the interests have been aggregated in a prior taxable year) on or before the last day prescribed for making such an election, such interest shall be treated as if an election had been made to treat it as a separate property. For definitions of the terms "operating mineral interests", "operating unit", and "mine", see respectively paragraphs (c), (d), and (e) of this section.

(2) *Aggregation in subsequent taxable years.* If the taxpayer has made an election under section 614(c)(1) for a particular taxable year with respect to any operating mineral interest or interests within a particular operating unit, and if, for a subsequent taxable year, the taxpayer desires to make an election with respect to an additional interest within the same operating unit, then whether or not the taxpayer may elect to include such additional interest in an aggregation or treat it as a separate property depends upon the nature of such additional interest and of the taxpayer's previous elections. If the additional interest is a part of a mine with respect to which the other interests have been aggregated, the additional interest must be included in such aggregation. If the additional interest is a part of a mine with respect to which the other interests have been treated as separate properties, the additional interest must be treated as a separate property. If the additional interest is an entire mine, it may, at the election of the taxpayer, (i) be added to any aggregation within the same operating unit, (ii) be aggregated with any other single interest which is an entire mine provided both interests are within the same operating unit even though such single interest has previously been treated as a separate property, or (iii) be treated as a separate property.

(b) *Election to treat a single operating mineral interest as more than one property*—(1) *General rule.* Except in the case of oil and gas wells, a taxpayer who owns a separate operating mineral interest in a mineral deposit in a single tract or parcel of land may elect under section 614(c)(2) and this paragraph to treat such interest as two or more separate operating mineral interests if such mineral deposit is being developed or extracted by means of two or more mines. In order for this election to be applicable, there must be at least two mines with respect to each of which an expenditure for development or operation has been made by the taxpayer. The election under section 614(c)(2) may also be made with respect to a separate operating mineral interest formed by a previous election under section 614(c)(2) at such time as the mineral deposit previously allocated to such interest is being developed or extracted by means of two or more mines. If there is more than one mineral deposit in a single tract or parcel of land, an election under section 614(c)(2) with respect to any one of such mineral deposits has no application to the other mineral deposits. The election under section 614(c)(2) may not be made with respect to an aggregated property or with respect to any operating mineral interest which is a part of any aggregation formed by the taxpayer unless the taxpayer obtains consent from the Commissioner. Such consent will not be granted where the principal purpose for the request to make the election is based on tax consequences. Application for such consent shall be made in writing to the Commissioner of Internal Revenue, Attention: Special Technical Services Division, Engineering and Valuation Branch, Washington 25, D.C. The application must be accompanied by a statement setting forth in detail the reason or reasons for the request to exercise the election with respect to an aggregated property.

(2) *Allocation of mineral deposit.* If the taxpayer elects to treat a separate operating mineral interest in a mineral deposit in a single tract or parcel of land as more than one separate operating mineral interest, then all of such mineral deposit therein and all of the portion of the tract or parcel of land allocated thereto must be allocated to the newly formed separate operating mineral interests. A portion of such mineral deposit and such tract or parcel of land must be allocated to each such newly formed separate operating mineral interest. There must be at least one mine, with respect to which an expenditure for development or operation has been made by the taxpayer, with respect to each such portion. The extent of the portion to be allocated to each newly formed separate operating mineral interest is to be determined upon the basis of the facts and circumstances of the particular case.

(3) *Basis of newly formed separate operating mineral interests.* The adjusted basis of each of the separate operating mineral interests formed by the making of the election under section 614(c)(2) shall be determined by apportioning the adjusted basis of the separate operating mineral interest with respect to which such election was made between (or among) the newly formed separate operating mineral interests in the same proportion as the fair market value of each such newly formed interest (as of the date on which the election becomes effective) bears to the total fair market value of the interest with respect to which the election was made as of such date.

(4) *Aggregation of newly formed separate operating mineral interests.* Any separate operating mineral interest formed by the making of the election under section 614(c)(2) may be included as a part of an aggregation subject to the requirements of paragraph (a) of this section, provided that the time for making the election under section 614(c)(1) to include such separate operating mineral interest in such aggregation has not expired. See paragraph (f) of this section. The provisions of this subparagraph may be illustrated by the following example:

Example. In 1958, taxpayer A acquired two separate operating mineral interests designated No. 1 and No. 2. Each is an interest in a single mineral deposit in a single tract of land. In the same year, taxpayer A made his first development expenditure with respect to a mine on operating mineral interest No. 1 and a mine on operating mineral interest No. 2. Operating mineral interests Nos. 1 and 2 are operated as a unit. Taxpayer A did not elect to aggregate operating mineral interests Nos. 1 and 2 under section 614(c)(1) within the time prescribed for making such an election. In 1960 taxpayer A made his first development expenditure with respect to a second mine on operating mineral interest No. 2. Taxpayer A elected under section 614(c)(2) to treat operating mineral interest No. 2 as two separate operating mineral interests, designated as Nos. 2(a) and 2(b), for the taxable year 1960 and all subsequent taxable years. No. 2(a) contained the mine for which the first development expenditure was made in 1958, and No. 2(b) contained the mine for which the first development expenditure was made in 1960. If taxpayer A wishes to do so, he may elect to aggregate mineral interests Nos. 1 and 2(b) under section 614(c)(1) for the taxable year 1960 and all subsequent taxable years since the first development expenditure with respect to the mine on operating mineral interest No. 2(b) was made during the taxable year 1960. Taxpayer A may not elect to aggregate mineral interests Nos. 1 and 2(a) under such section since the time for making such an election has expired.

(c) *Operating mineral interest defined.* For the definition of the term "operating mineral interest" as used in this section, see paragraph (b) of § 1.614–2.

(d) *Operating unit defined.* For the definition of the term "operating unit" as used in this section, see paragraph (c) of § 1.614–2.

(e) *Mine defined.* For purposes of this section, the term "mine" means any excavation or other workings or series of related excavations or related workings, as the case may be, for the purpose of extracting any known mineral deposit except oil and gas deposits. For the purpose of the preceding sentence, the term "excavations" or "workings" includes quarries, pits, shafts, and wells (except oil and gas wells). The number of excavations or workings that constitute a mine is to be determined upon the basis of the facts and circumstances of the particular case such as the nature and position of the mineral deposit or deposits, the method of mining the mineral, the location of the excavations or other workings in relation to the mineral deposit or deposits, and the topography of the area. The determination of the taxpayer as to the composition of a mine is to be accepted unless there is a clear and convincing basis for a change in such determination.

(f) *Manner and scope of election*—(1) *Election to apply section 614(c) (1) and (2) for taxable years beginning after December 31, 1957.* Except as provided

in subparagraphs (2) and (3) of this paragraph, the election under section 614(c)(1) and paragraph (a) of this section to treat an operating mineral interest as part of an aggregation shall be made under section 614(c)(3)(A) not later than the time prescribed by law for filing the taxpayer's income tax return (including extensions thereof) for whichever of the following taxable years is the later:

(i) The first taxable year beginning after December 31, 1957, or

(ii) The first taxable year in which any expenditure for development or operation in respect of the separate operating mineral interest is made by the taxpayer after the acquisition of such interest.

Except as provided in subparagraphs (2) and (3) of this paragraph, the election under section 614(c)(2) and paragraph (b) of this section to treat a single operating mineral interest as more than one operating mineral interest shall be made under section 614(c)(3)(A) not later than the time prescribed by law for filing the taxpayer's income tax return (including extensions thereof) for whichever of the following taxable years is the later:

(iii) The first taxable year beginning after December 31, 1957, or

(iv) The first taxable year in which expenditures for development or operation of more than one mine in respect of the separate operating mineral interest are made by the taxpayer after the acquisition of such interest.

However, if the latest time at which an election may be made under this subparagraph falls on or before the first day of the first month which begins more than 90 days after the regulations under section 614 are published in the FEDERAL REGISTER as a Treasury decision, such election may be made at any time on or before the first day of such first month.

(2) *Election to apply section 614(c)(1) and (2) for taxable years beginning before January 1, 1958.* In accordance with section 614(c)(3)(B), the election under section 614(c)(1) and paragraph (a) of this section to treat an operating mineral interest as part of an aggregation may, at the election of the taxpayer, be made not later than the time prescribed by law for filing the taxpayer's income tax return (including extensions thereof) for whichever of the following taxable years is the later:

(i) The first taxable year beginning after December 31, 1953, and ending after August 16, 1954, for which assessment of a deficiency or credit or refund of an overpayment, as the case may be, resulting from an election under section 614(c)(1), is not prevented on September 2, 1958, by the operation of any law or rule of law, or

(ii) The first taxable year in which any expenditure for development or operation in respect of the separate operating mineral interest is made by the taxpayer after the acquisition of such interest.

In accordance with section 614(c)(3)(B), the election under section 614(c)(2) and paragraph (b) of this section to treat an operating mineral interest as more than one operating mineral interest may, at the election of the taxpayer, be made not later than the time prescribed by law for filing the taxpayer's income tax return (including extensions thereof) for whichever of the following taxable years is the later:

(iii) The first taxable year beginning after December 31, 1953, and ending after August 16, 1954, for which assessment of a deficiency or credit or refund of an overpayment, as the case may be, resulting from an election under section 614(c)(2), is not prevented on September 2, 1958, by the operation of any law or rule of law, or

(iv) The first taxable year in which expenditures for development or operation of more than one mine in respect of the separate operating mineral interest are made by the taxpayer after the acquisition of such interest.

However, if the latest time at which an election may be made under this subparagraph falls on or before the first day of the first month which begins more than 90 days after the regulations under section 614 are published in the FEDERAL REGISTER as a Treasury decision, such election may be made at any time on or before the first day of such first month.

(3) *Limitation.* If the taxpayer makes an election under section 614(c)(1) or (2) in accordance with section 614(c)(3)(B) and subparagraph (2) of this paragraph with respect to any operating mineral interest which constitutes part or all of an operating unit, such taxpayer may not make any election under section 614(c)(1) or (2) in accordance with section 614(c)(3)(A) and subparagraph (1) of this paragraph with respect to any operating mineral interest which constitutes part or all of such operating unit. The provisions of this subparagraph may be illustrated by the following example:

Example: In 1953, taxpayer A owned six separate operating mineral interests, designated No. 1 through No. 6, which he operated as a unit. Operating mineral interests Nos. 1 through 5 comprise a mine, and operating mineral interest No. 6 represents one mineral deposit in a single tract of land which is being extracted by means of two mines. In accordance with section 614(c)(3)(B) and subparagraph (2) of this paragraph, taxpayer A elects under section 614(c)(2) to treat operating mineral interest No. 6 as two separate operating mineral interests for the taxable year 1954 and all subsequent taxable years. Unless taxpayer A also makes an election under section 614(c)(1) to aggregate operating mineral interests Nos. 1 through 5 for the taxable year 1954 and all subsequent taxable years in accordance with section 614(c)(3)(B) and subparagraph (2) of this paragraph, he shall be deemed to have made an election to treat each of such interests as a separate property. Taxpayer A may not elect, under section 614(c)(1) and (3)(A), to aggregate operating mineral interests Nos. 1 through 5 for the taxable year 1958 or any subsequent taxable year.

(4) *Statute of limitations.* If the taxpayer makes any election in accordance with section 614(c)(3)(B) and subparagraph (2) of this paragraph and if assessment of any deficiency for any taxable year resulting from such election is prevented on the first day of the first month which begins more than 90 days after the regulations under section 614 are published in the FEDERAL REGISTER as a Treasury decision, or at any time within one year after such first day, by the operation of any law or rule of law, such assessment may, nevertheless, be made within one year after such first day. Any election by a taxpayer in accordance with section 614(c)(3)(B) shall constitute consent to the assessment of any deficiency resulting from any such election. If refund or credit of any overpayment of income tax resulting from any election made in accordance with section 614(c)(3)(B) is prevented on such first day, or at any time within one year after such first day, by the operation of any law or rule of law, refund or credit of such overpayment may, nevertheless, be made or allowed but only if claim therefor is filed within one year after such first day. This subparagraph shall not apply with respect to any taxable year of a taxpayer for which an assessment of a deficiency resulting from an election made in accordance with section 614(c)(3)(B) or a refund or credit of an overpayment resulting from any such election, as the case may be, is prevented by the operation of any law or rule of law on September 2, 1958.

(5) *Elections; how made*—(i) *General rule.* Except as provided in subdivision (ii) of this subparagraph, an election under section 614(c) (1) or (2) and paragraph (a) or (b) of this section must be made by a statement attached to the income tax return of the taxpayer for the first taxable year for which the election is made. The statement shall contain the following information:

(*a*) Whether the taxpayer is making an election or elections with respect to the operating unit in accordance with section 614(c)(3)(A) or (B);

(*b*) A description of the operating unit of the taxpayer in sufficient detail to identify the separate operating mineral interests which are included within such operating unit;

(*c*) A description of each aggregation to be formed within the operating unit in sufficient detail to identify the separate operating mineral interests that are to be included within each aggregation and to show that each aggregation consists of all the separate operating mineral interests which comprise any one mine or any two or more mines;

(*d*) A description of each separate operating mineral interest within the operating unit which is to be treated as a separate property in sufficient detail to show that such interest is not a part of any mine for which an election to aggregate has been made;

(*e*) The taxable year in which the first development expenditure was made by the taxpayer with respect to each separate operating mineral interest within the operating unit (if the first development expenditure has not been made with respect to a separate operating mineral interest before the close of the taxable year for which the election under this section is made, such information should also be included);

(*f*) A description of each separate operating mineral interest within the op-

erating unit which the taxpayer elects to treat as more than one such interest under section 614(c)(2) in sufficient detail to show that the separate operating mineral interest was not a part of an aggregation formed by the taxpayer under section 614(c)(1) for any taxable year prior to the taxable year for which the election under section 614(c)(2) is made, and to show that the mineral deposit representing the separate operating mineral interest is being developed or extracted by means of two or more mines;

(g) The taxable year in which the first development expenditure was made by the taxpayer with respect to each mine on the separate operating mineral interest that the taxpayer is electing to treat as more than one such interest; and

(h) The allocation of the mineral deposit representing the separate operating mineral interest between (or among) the newly formed interests and the method by which such allocation was made.

The taxpayer shall maintain adequate records and maps in support of the above information. In the event that the first development expenditure with respect to a separate operating mineral interest is made by the taxpayer in a taxable year subsequent to the taxable year for which an election under this section has been made with respect to the operating unit of which such interest is a part, the taxpayer shall furnish information describing such interest in sufficient detail to identify it as a part of such operating unit, to show whether it is a part of a mine with respect to which the interests have previously been aggregated or have previously been treated as separate properties, and to indicate whether it is to be included within an aggregation.

(ii) *Special rule.* If the last day prescribed by law for filing the taxpayer's income tax return (including extensions thereof) for the first taxable year for which an election under section 614(c)(1) or (2) is made falls before the first day of the first month which begins more than 90 days after the regulations under 614 are published in the FEDERAL REGISTER as a Treasury decision, the statement of election for such taxable year must be filed on or before the first day of such first month with the district director for the district in which such return was filed. The statement must contain the information as required in subdivision (i) of this subparagraph, must indicate the first taxable year for which the election contained therein is made, and shall be accompanied by an amended return or returns if necessary or, if appropriate, a claim for refund or credit.

(6) *Elections; when effective.* If the taxpayer has elected to form an aggregation under section 614(c)(1) and this section, the date on which the aggregation becomes effective is the first day of the first taxable year for which the election is made; except that if any separate operating mineral interest included in such aggregation was acquired after such first day, the date on which the inclusion of such interest in such aggregation becomes effective is the date of its acquisition. If the taxpayer elects to add another operating mineral interest to such aggregation for a subsequent taxable year, the date on which aggregation of the additional interest becomes effective is the first day of such subsequent taxable year or the date of acquisition of such interest, whichever is later. If an operating mineral interest is required to be included in the aggregation for a subsequent taxable year because such interest becomes a part of a mine which the taxpayer has previously elected to aggregate, the date on which the inclusion of such interest in the aggregation becomes effective is the first day of the subsequent taxable year or the date of acquisition of such interest, whichever is later. If the taxpayer has elected to treat a separate operating mineral interest as more than one such interest, the date on which the election becomes effective is the first day of the first taxable year for which the election is made or the earliest date on which the first expenditure for development or operation has been made by the taxpayer with respect to a mine on each newly formed separate operating mineral interest, whichever is later.

(7) *Elections; binding effect.* A valid election under section 614(c)(1) or (2) whether made in accordance with section 614(c)(3)(A) or (B) shall be binding upon the taxpayer for the taxable year for which made and for all subsequent taxable years unless consent to change the treatment of an operating mineral interest with respect to which an election has been made is obtained from the Commissioner. Thus, a taxpayer can neither include within an aggregation a separate operating mineral interest which he has previously elected to treat as a separate property, nor exclude from an aggregation a separate operating mineral interest which he has previously elected to include within such aggregation unless consent to do so is obtained from the Commissioner. However, since an aggregation can include only operating mineral interests which are within the same operating unit, in any case in which the taxpayer's operations have changed so that an operating mineral interest included in an aggregation is no longer within the operating unit, the taxpayer must change the treatment of such interest. A change in tax consequences alone is not sufficient to obtain consent to change the treatment of an operating mineral interest. Applications for consent shall be made in writing to the Commissioner of Internal Revenue, Attention: Special Technical Services Division, Engineering and Valuation Branch, Washington 25, D.C. The application must be accompanied by a statement indicating the reason or reasons for the change and furnishing the information required in subparagraph (5)(i) of this paragraph, unless such information has been previously filed and is current.

(8) *Invalid aggregations*—(i) *General rule.* In addition to aggregations which are invalid under this section because of the failure to make timely elections, aggregations may be invalid under this section in situations which may be divided into two general categories. The first category involves invalid basic aggregations. The second category involves invalid additions to basic aggregations.

(ii) *Invalid basic aggregations.* The term "invalid basic aggregations" refers to aggregations which are initially invalid. Generally, a basic aggregation is initially invalid because it does not include all the separate operating mineral interests which comprise a complete mine or mines or because it includes separate operating mineral interests which are not part of the same operating unit. If the taxpayer elects to form an invalid basic aggregation, each of the separate operating mineral interests included in such aggregation shall be treated as a separate property for the first taxable year for which the election is made and for all subsequent taxable years unless consent is obtained from the Commissioner to treat any such interest in a different manner. The provisions of this subdivision may be illustrated by the following examples:

Example (1). In 1958, taxpayer A owned ten operating mineral interests, designated No. 1 through No. 10, which he operated as a unit. Interests Nos. 1 through 5 comprised mine X, and interests Nos. 6 through 10 comprised mine Y. Taxpayer A had made his first development expenditure with respect to each of the ten interests before January 1, 1958. Taxpayer A elected under section 614(c)(1) and (3)(A) to aggregate interests Nos. 1 through 8 for 1958 and all subsequent taxable years. The aggregation formed by taxpayer A is an invalid basic aggregation because it does not include all the operating mineral interests which comprise a complete mine or mines. Therefore, interests Nos. 1 through 8 must be treated as separate properties for 1958 and all subsequent taxable years unless consent is obtained from the Commissioner to treat any of such interests in a different manner.

Example (2). In 1958, taxpayer B owned ten operating mineral interests designated No. 1 through No. 10. Interests Nos. 1 through 5 comprised mine X, and interests Nos. 6 through 10 comprised mine Y. Taxpayer B had made his first development expenditure with respect to each of the ten interests before January 1, 1958. Taxpayer B elected under section 614(c)(1) and (3)(A) to aggregate interests Nos. 1 through 10 for 1958 and all subsequent taxable years. Upon audit, it was determined that mines X and Y were in two separate operating units. Therefore, the aggregation formed by taxpayer B is invalid, and interests Nos. 1 through 10 must be treated as separate properties for 1958 and all subsequent taxable years unless consent is obtained from the Commissioner to treat any of such interests in a different manner.

(iii) *Invalid additions.* The term "invalid addition" refers to an operating mineral interest which is invalidly aggregated with an existing aggregation. Generally, an addition is invalid because it is a part of a mine and is aggregated with an aggregation which does not include other interests which are parts of the same mine, or because it is in one operating unit and is included as part of an aggregation which is in another operating unit. If an invalid addition is properly a part of a mine with respect to which other interests have been validly aggregated for a taxable year prior to the first taxable year for which the election to aggregate the invalid addition is made, then the invalid addition shall be included in the aggregation of which it is properly a part for such first taxable year and all subsequent taxable years.

Any other invalid addition shall be treated as a separate property for the first taxable year for which the election to aggregate such addition is made and for all subsequent taxable years unless consent is obtained from the Commissioner to treat any such interest in a different manner. The provisions of this subdivision may be illustrated by the following examples:

Example (1). In 1958, taxpayer A owned six operating mineral interests, designated No. 1 through No. 6, which he operated as a unit. Interests Nos. 1 through 3 comprised mine X, and interests Nos. 4 through 6 comprised mine Y. Taxpayer A had made his first development expenditure with respect to each of the six interests before January 1, 1958. Taxpayer A elected under section 614(c) (1) and (3)(A) to aggregate interests Nos. 1 through 3 for 1958 and all subsequent taxable years. He elected to treat interests Nos. 4 through 6 as separate properties for 1958 and all subsequent taxable years. In 1959, taxpayer A acquired and made his first development expenditure with respect to interest No. 7. Interest No. 7 was a part of the mine composed of interests Nos. 4 through 6. Taxpayer A elected under section 614(c) (1) and (3)(A) to aggregate interest No. 7 with the aggregation of interests Nos. 1 through 3 for 1959 and all subsequent taxable years. Interest No. 7 is an invalid addition and must be treated as a separate property for 1959 and all subsequent taxable years. It cannot be aggregated with interests Nos. 4 through 6 since taxpayer A has previously elected to treat such interests as separate properties. However, the valid basic aggregation composed of interests Nos. 1 through 3 is not affected by the invalid addition of interest No. 7.

Example (2). Assume the same facts as in example (1) except that taxpayer A elected under section 614(c) (1) and (3)(A) to aggregate interests Nos. 1 through 3 as one aggregation and interests Nos. 4 through 6 as another aggregation for 1958 and all subsequent taxable years. The aggregation of interest No. 7 with the aggregation consisting of interests Nos. 1 through 3 constitutes an invalid addition. Interest No. 7 must be included in the aggregation consisting of interests Nos. 4 through 6 for 1959 and all subsequent taxable years.

Example (3). In 1958, taxpayer B owned three operating mineral interests, designated No. 1 through No. 3, which comprised mine X. Taxpayer B had made his first development expenditure with respect to each of the three interests before January 1, 1958. Taxpayer B elected under section 614(c) (1) and (3)(A) to aggregate interests Nos. 1 through 3 for 1958 and all subsequent taxable years. In 1959, taxpayer B acquired interests Nos. 4 through 7 which comprised mine Y. Taxpayer B made his first development expenditure with respect to each of the four interests during 1959. Taxpayer B elected under section 614(c) (1) and (3)(A) to aggregate interests Nos. 4 through 6 and to aggregate interest No. 7 with the aggregation consisting of interests Nos. 1 through 3 for 1959 and all subsequent taxable years. The aggregation consisting of interests Nos. 4 through 6 is an invalid basis aggregation, and the aggregation of interest No. 7 is an invalid addition. Interests Nos. 4 through 7 must be treated as separate properties for 1959 and all subsequent taxable years unless consent is obtained from the Commissioner to treat such interests in a different manner.

(g) *Special rule as to deductions under section 615(a) prior to aggregation*—(1) *General rule.* If an aggregation of operating mineral interests under section 614(c)(1) and paragraph (a) of this section includes any interest or interests in respect of which exploration expenditures, paid or incurred after the acquisition of such interest or interests, were deducted by the taxpayer under section 615(a) for any taxable year which precedes the date on which such aggregation becomes effective, then the tax imposed by chapter 1 of the Internal Revenue Code of 1954 for the taxable year or years in which such exploration expenditures were so deducted shall be recomputed in accordance with the rules contained in this paragraph. If an operating mineral interest is added to such aggregation for a subsequent taxable year and exploration expenditures made with respect to such interest after its acquisition were deducted by the taxpayer under section 615(a) for any taxable year which precedes the date on which the aggregation of such additional interest becomes effective, then the tax imposed by chapter 1 of the Internal Revenue Code of 1954 for the taxable year or years in which such exploration expenditures were so deducted shall be recomputed. For purposes of this paragraph, such taxable year or years shall be referred to as the taxable year or years for which a recomputation is required to be made. See paragraph (f)(6) of this section for rules relating to the date on which an aggregation becomes effective or the date on which the aggregation of an additional interest to an aggregation becomes effective. See subparagraph (3) of this paragraph for rules relating to the method of recomputation of tax. The provisions of this subparagraph may be illustrated by the following examples:

Example (1). In 1954, taxpayer A owned two operating mineral interests designated Nos. 1 and 2. Interest No. 1 was in the production stage prior to 1954. The first exploration expenditures with respect to interest No. 2 were made by taxpayer A in 1954 and were deducted under section 615 (a) on his return for that year. In 1955, taxpayer A made his first development expenditure with respect to interest No. 2, and thereafter it was operated with interest No. 1 as a unit. Taxpayer A elected under section 614(c)(1) and (3)(B) to form an aggregation of interests Nos. 1 and 2 for 1955 and all subsequent taxable years. Taxpayer A must recompute his tax for 1954 in accordance with this paragraph.

Example (2). Assume the same facts as in example (1) except that, in 1957, taxpayer A acquired another operating mineral interest, designated No. 3, made his first exploration expenditures with respect to such interest in that year, and deducted such expenditures under section 615(a) on his return for that year. In 1958, taxpayer A made his first development expenditure with respect to interest No. 3. Interest No. 3 was part of the same operating unit as interests Nos. 1 and 2. Taxpayer A elected under section 614(c)(1) and (3)(B) to add interest No. 3 to his aggregation of interests Nos. 1 and 2 for 1958 and all subsequent taxable years. Taxpayer A must recompute his tax for 1957 in accordance with this paragraph.

(2) *Exceptions*—(i) *Taxable years beginning before January 1, 1958.* In the case of exploration expenditures deducted by the taxpayer with respect to an operating mineral interest for any taxable year beginning before January 1, 1958, subparagraph (1) of this paragraph shall apply only if the taxpayer has made an election under section 614(c) (1) or (2) with respect to the operating unit of which such interest is a part and such election applies to the taxable year for which such exploration expenditures were deducted. Thus, if the taxpayer does not make an election with respect to the operating unit under section 614(c) (1) or (2) and (3)(B), subparagraph (1) of this paragraph does not apply in the case of exploration expenditures deducted with respect to any operating mineral interest which is a part of such operating unit for any taxable year beginning before January 1, 1958. The provisions of this subdivision may be illustrated by the following examples:

Example (1). In 1956, taxpayer A acquired two operating mineral interests designated Nos. 1 and 2. Interest No. 1 was in the production stage at that time. Taxpayer A made his first exploration expenditures with respect to interest No. 2 in 1956, 1957, and 1958 and deducted such expenditures under section 615(a) on his returns for such years. In 1959, taxpayer A made his first development expenditure with respect to interest No. 2. Interests Nos. 1 and 2 were operated as a unit. Taxpayer A elected under section 614(c) (1) and (3)(A) to aggregate interests Nos. 1 and 2 for 1959 and all subsequent taxable years. Only the exploration expenditures deducted by the taxpayer for 1958 must be taken into account for purposes of applying subparagraph (1) of this paragraph.

Example (2). In 1954, taxpayer B owned two operating mineral interests, designated Nos. 1 and 2, which he operated as a unit. Interest No. 1 was in the production stage at that time, and interest No. 2 represented one mineral deposit in a single tract of land which was being extracted by means of two mines. Under section 614(c) (2) and (3)(B), taxpayer B elects to treat interest No. 2 as two separate operating mineral interests, designated as Nos. 2(a) and 2(b), for 1954 and all subsequent taxable years. In 1955, taxpayer B acquired operating mineral interest No. 3. He made his first exploration expenditures with respect to interest No. 3 in 1955, 1956, and 1957 and deducted such expenditures under section 615(a) on his returns for such years. In 1958, taxpayer B made his first development expenditure with respect to interest No. 3, and thereafter it was operated with interests Nos. 1, 2(a), and 2(b) as a unit. Taxpayer B elects under section 614(c) (1) and (3)(B) to aggregate interests Nos. 1 and 3 for 1958 and all subsequent taxable years. The exploration expenditures deducted by the taxpayer for 1955, 1956, and 1957 must be taken into account for purposes of applying subparagraph (1) of this paragraph since the taxpayer has made an election under section 614(c)(2) with respect to the operating unit of which interest No. 3 is a part and such election applies to the taxable years 1955, 1956, and 1957.

(ii) *Interests formed pursuant to an election under section 614(c)(2).* In the case of exploration expenditures deducted with respect to an operating mineral interest which the taxpayer elects to treat as more than one such interest under section 614(c)(2) and paragraph (b) of this section, subparagraph (1) of this paragraph shall not apply. Thus, if the taxpayer deducts exploration expenditures with respect to an operating mineral interest, subsequently elects to treat such interest as more than one interest under section 614(c)(2), and includes one of the newly formed interests in an aggregation under section 614(c)(1), subparagraph (1) of this paragraph does not apply in the case of the ex-

ploration expenditures deducted with respect to the interest which the taxpayer elected to treat as more than one interest. The provisions of this subdivision may be illustrated by the following examples:

Example (1). In 1958, taxpayer A acquired two operating mineral interests, designated Nos. 1 and 2, which he operated as a unit. Each interest was an interest in a single mineral deposit in a single tract or parcel of land. There was a mine in the production stage on each or the two interests at that time. Taxpayer A elected under section 614(c)(1)(B) to treat interests Nos. 1 and 2 as separate properties. In 1959 and 1960, taxpayer A made exploration expenditures with respect to interest No. 2 for the purpose of extracting the mineral by means of a second mine, and he deducted such expenditures on his returns for such years. In 1961, taxpayer A made his first development expenditure with respect to a second mine on interest No. 2. Taxpayer A elected under section 614(c)(2) to treat interest No. 2 as two separate operating mineral interests, designated as Nos. 2(a) and 2(b), for 1961 and all subsequent taxable years. Interest No. 2(a) contained the producing mine and interest No. 2(b) contained the subsequently developed mine. In his return for 1961, taxpayer A also elected under section 614(c)(1)(A) to aggregate interests Nos. 1 and 2(b) for 1961 and all subsequent taxable years. The exploration expenditures deducted with respect to interest No. 2 prior to the effective date of the formation of interests Nos. 2(a) and 2(b) need not be taken into account for purposes of applying subparagraph (1) of this paragraph.

Example (2). In 1954, taxpayer B owned two operating mineral interests designated Nos. 1 and 2. Interest No. 1 was an interest in a single mineral deposit in a single tract of land which was being extracted by means of two mines. Taxpayer B elected under section 614(c)(2) and (3)(B) to treat interest No. 1 as two separate operating mineral interests, designated as Nos. 1(a) and 1(b), for 1954 and all subsequent taxable years. In 1955, 1956, and 1957, taxpayer B made exploration expenditures with respect to interest No. 2 and deducted such expenditures on his returns for such years. In 1958, taxpayer B made his first development expenditure with respect to interest No. 2, and, on his return for that year, taxpayer B elected to aggregate interests Nos. 1(a) and 2 under section 614(c)(1) for 1958 and all subsequent taxable years. The exploration expenditures deducted with respect to interest No. 2 for 1955, 1956, and 1957 shall be taken into account for purposes of applying subparagraph (1) of this paragraph since such exploration expenditures were deducted with respect to an interest to which this subdivision does not apply.

(3) *Recomputation of tax*—(i) *General rule.* In the case of an aggregation formed under section 614(c)(1) and paragraph (a) of this section in respect of which a recomputation of tax is required to be made under the provisions of subparagraphs (1) and (2) of this paragraph for any taxable year or years, the tax imposed by chapter 1 of the Internal Revenue Code of 1954 shall be recomputed for each such taxable year as if—

(*a*) The taxpayer had elected to form an aggregation for the taxable year for which the recomputation is required to be made, and

(*b*) Such aggregation had included all the interests included in the aggregation formed under section 614(c)(1) except those interests which the taxpayer did not own during the taxable year for which the recomputation is required to be made and those interests in respect of which the taxpayer had made no expenditures for exploration, development, or operation before or during the taxable year for which the recomputation is required to be made.

If a recomputation of tax is required to be made for any taxable year in the case of the aggregation of an additional interest to an existing aggregation under section 614(c)(1), such recomputation shall be made as if—

(*c*) The taxpayer had elected to form an aggregation for the taxable year for which the recomputation is required to be made, and

(*d*) Such aggregation had included all the interests included in the aggregation formed under section 614(c)(1) (including any interest which the taxpayer had disposed of prior to the date on which the aggregation of the additional interest becomes effective) except those interests which the taxpayer did not own during the taxable year for which the recomputation is required to be made and those interests in respect of which the taxpayer had made no expenditures for exploration, development, or operation before or during the taxable year for which the recomputation is required to be made.

For purposes of this paragraph, any aggregation which is treated as having been formed under (*a*) and (*b*) or under subdivisions (*c*) and (*d*) of this subdivision shall be referred to as the "constructed aggregated property".

(ii) *Recomputation of depletion allowance.* The taxpayer shall compute the depletion allowance with respect to the constructed aggregated property for the taxable year for which the recomputation is required to be made. In making this computation, cost depletion for such taxable year shall be computed with reference to the depletion unit for the constructed aggregated property. See paragraph (a) of § 1.611–2. Percentage depletion for such taxable year shall not exceed 50 percent of the taxable income from the constructed aggregated property computed in accordance with § 1.613–4. If a recomputation is required to be made for the same taxable year with respect to any other aggregation or aggregations formed by the taxpayer under section 614(c)(1), the depletion allowance with respect to the other constructed aggregated property or properties shall be similarly computed. If, for a taxable year in respect of which a recomputation is required, the sum of the depletion allowance or allowances as computed under this subdivision is less than the sum of the depletion allowance or allowances actually deducted for such taxable year with respect to all the properties required to be taken into account in making the computation under this subdivision, then the total depletion allowance deducted by the taxpayer for such taxable year shall be reduced by the difference. The taxable income or net operating loss of the taxpayer for such taxable year shall be adjusted to reflect such reduction for purposes of the recomputation of tax. However, if for a taxable year in respect of which a recomputation is required, the sum of the depletion allowance or allowances as computed under this subdivision exceeds the sum of the depletion allowance or allowances actually deducted for such taxable year with respect to all the properties required to be taken into account in making the computation under this subdivision, the recomputation of tax for such taxable year is disregarded for purposes of applying section 614(c)(4)(B), (C), and (D).

(iii) *Effect of recomputation with respect to items based on amount of income.* In making the recomputation of tax under this subparagraph for any taxable year, any deduction, credit, or other allowance which is based upon the adjusted gross income or taxable income of the taxpayer for such year shall be recomputed taking into account the adjustment required under subdivision (ii) of this subparagraph. For example, if a corporate taxpayer's taxable income is increased under the provisions of such subdivision, then the amount of charitable contributions which may be deducted under the limitation contained in section 170(b)(2) shall be correspondingly increased for purposes of the recomputation. Moreover, the effect that the recomputation of any deduction, credit, or other allowance for a taxable year has on the tax imposed for any other taxable year shall also be taken into account for purposes of the recomputation of tax under this subparagraph.

(iv) *Effect of recomputation with respect to a net operating loss and a net operating loss deduction.* If the recomputation of tax under this subparagraph for the taxable year for which the recomputation is required to be made results in a reduction of a net operating loss for such year, then the taxpayer shall take into account the effect of such reduction on the tax imposed by chapter 1 of the Internal Revenue Code of 1954 (or by corresponding provisions of the Internal Revenue Code of 1939) for any taxable year affected by such reduction. If the recomputation of tax for the taxable year for which the recomputation is required to be made results in an increase in taxable income as defined in section 172(b)(2) for such year, then the taxpayer shall take into account the effect of such increase on the tax imposed by chapter 1 of the Internal Revenue Code of 1954 (or by corresponding provisions of the Internal Revenue Code of 1939) for any taxable year affected by such increase. Furthermore, in making the recomputation of tax for any taxable year for which the recomputation is required to be made, the taxpayer shall take into account any change in the net operating loss deduction for such year resulting from the recomputation of tax for any other taxable year for which a recomputation is required to be made. For provisions relating to the net operating loss deduction, see section 172 and the regulations thereunder.

(v) *Determination of increase in tax.* If the taxpayer elects to form an aggregation or aggregations for a taxable year under section 614(c)(1) and if a recomputation of tax is required to be made under this paragraph for any prior tax-

able year or years, then the taxpayer shall compute the difference between the tax as recomputed under this subparagraph for such prior taxable year or years (and other taxable years affected by the recomputation) and the tax liability previously determined (computed without regard to section 614(c)(4)) with respect to such prior taxable year or years (and other taxable years affected by the recomputation). If the taxpayer is subsequently required to make a recomputation with respect to any taxable year or years for which he has previously made a recomputation, then the taxpayer shall compute the difference between the tax as subsequently recomputed for such taxable year or years (and other taxable years affected by the subsequent recomputation) and the tax as previously recomputed for such taxable year or years (and other taxable years affected by the subsequent recomputation). For treatment of the increase in tax resulting from the recomputation of tax under this subparagraph, see subparagraph (4) of this paragraph.

(4) *Treatment of increase in tax*—(i) *General rule.* If the taxpayer elects to form an aggregation or aggregations for a taxable year under section 614(c)(1) and if a recomputation of tax is required to be made for any prior taxable year or years, then the total increase in tax resulting from such recomputation determined under subparagraph (3)(v) of this paragraph shall be taken into account in the first taxable year to which the election to form such aggregation or aggregations is applicable and in each succeeding taxable year until the full amount of such total increase in tax has been taken into account. The number of taxable years over which such total increase shall be taken into account shall be equal to the number of taxable years for which a recomputation of tax is required to be made under subparagraph (1) of this paragraph as limited by subparagraph (2) of this paragraph and for which such recomputation results in a reduction of the taxpayer's depletion allowance under subparagraph (3)(ii) of this paragraph. The amount of the increase in tax which is to be taken into account in a taxable year is determined by dividing the total increase in tax by the number of taxable years over which such total increase is to be taken into account. The tax imposed by chapter 1 of the Internal Revenue Code of 1954 for each of the taxable years over which the total increase in tax is to be taken into account shall be increased by the amount determined in accordance with the preceding sentence. However, such increase in tax for each of such taxable years shall have no effect upon the determination of the amount of any credit against the tax for any of such taxable years. For example, the amount of such increase shall not affect the computation of the limitation on the foreign tax credit under section 904. The amount of the increase in tax which is required to be taken into account by the taxpayer in a particular taxable year under section 614(c)(4)(C) shall be treated as a tax imposed with respect to such taxable years even though, without regard to section 614(c)(4) and this paragraph, such taxpayer would otherwise have no tax liability for such taxable year.

(ii) *Increase in tax not determinable as of first taxable year of aggregation.* If the recomputation of tax under subparagraph (3) of this paragraph, for any taxable year or years prior to the first taxable year to which the election to form an aggregation or aggregations under section 614(c)(1) applies, results in a reduction of any net operating loss carryover to a taxable year subsequent to such first taxable year, then the total increase in tax resulting from the recomputation is not determinable as of such first taxable year. In such case, the total increase in tax shall be taken into account in equal installments in the first taxable year for which such total increase is determinable and in each succeeding taxable year for which a portion of the increase in tax would have been taken into account under subdivision (i) of this subparagraph if the total increase had been determinable as of the first taxable year to which the election to form the aggregation or aggregations under section 614(c)(1) applies. The provisions of this subdivision may be illustrated by the following example:

Example. Assume that taxpayer A elects under section 614(c)(1) to form an aggregation for 1960 and all subsequent taxable years. Assume further that taxpayer A is required to recompute his tax for four prior taxable years under subparagraphs (1) and (2) of this paragraph and that the recomputation for each of such taxable years results in a reduction of taxpayer A's depletion allowance. Under subdivision (i) of this subparagraph, the total increase in tax resulting from the recomputation is to be taken into account in equal installments in 1960, 1961, 1962, and 1963. However, if the total increase in tax is not determinable until 1961 because the recomputation for the prior taxable years results in the reduction of a net operating loss carryover to 1961, then the total increase shall be taken into account in equal installments in 1961, 1962, and 1963. In like manner, if the total increase in tax is not determinable until 1962, it shall be taken into account in equal installments in 1962 and 1963.

(iii) *Death or cessation of existence of taxpayer.* If the taxpayer dies or ceases to exist, the portion of the increase in tax determined under subparagraph (3)(v) of this paragraph which has not been taken into account under subdivision (i) or (ii) of this subparagraph for taxable years prior to the taxable year of the occurrence of such death or such cessation of existence, as the case may be, shall be taken into account for the taxable year in which such death or such cessation of existence, as the case may be, occurs.

(5) *Adjustments to basis of aggregated property.* If the taxpayer elects to form an aggregated property or properties under section 614(c)(1) for a taxable year and if a recomputation of tax is required to be made for any taxable year which results in reduction of the depletion allowance previously deducted by the taxpayer for such year, then proper adjustments shall be made with respect to the adjusted basis of such aggregated property or properties. In such a case—

(i) If the sum of the depletion allowances actually deducted with respect to the interests included in a constructed aggregated property exceeds the depletion allowance computed under subparagraph (3)(ii) of this paragraph with respect to such constructed aggregated property, the adjusted basis of the aggregated property formed under section 614(c)(1) shall be increased by such excess, and

(ii) If the depletion allowance computed under subparagraph (3)(ii) of this paragraph with respect to a constructed aggregated property exceeds the sum of the depletion allowances actually deducted with respect to the interests included in such constructed aggregated property, the adjusted basis of the aggregated property formed under section 614(c)(1) shall be reduced (but not below zero) by such excess.

However, the adjusted basis of an aggregated property formed under section 614(c)(1) may be increased only to the extent such excess would have resulted in an increase in such adjusted basis if taken into account under paragraph (a) of § 1.614–6. Thus, if depletion previously allowed with respect to the separate operating mineral interests included in the aggregation formed under section 614(c)(1) exceeds the total of the unadjusted bases of such interests by $5,000, and if the recomputation of tax required to be made under this paragraph results in a depletion allowance which is $7,000 less than the depletion actually deducted with respect to such interests, then the adjusted basis of such aggregation may be increased by only $2,000. If, with respect to the same aggregated property formed under section 614(c)(1), adjustments to adjusted basis are required under this subparagraph as a result of recomputation of tax for two or more taxable years, the total or net amount of such adjustments shall be taken into account. Any adjustment to the adjusted basis of an aggregation required by this subparagraph shall be taken into account as of the effective date of the election to form such aggregation under section 614(c)(1) and shall be effective for all purposes of subtitle A of the Internal Revenue Code of 1954. For other rules relating to the determination of the adjusted basis of an aggregated property, see paragraph (a) of § 1.614–6.

§ 1.614–4 1939 Code treatment with respect to separate operating mineral interests in the case of oil and gas wells.

(a) *General rule.* In the case of oil and gas wells, a taxpayer may treat under section 614(d) and this section any property as if section 614 (a) and (b) had not been enacted. For purposes of this section, the term "property" means each separate operating mineral interest owned by the taxpayer in each mineral deposit in each separate tract or parcel of land. Separate tracts or parcels of land exist not only when areas of land are separated geographically, but also when areas of land are separated by means of the execution of conveyances or leases. If the taxpayer treats any property or properties under this sec-

tion, the taxpayer must treat each such property as a separate property except that the taxpayer may treat any two or more properties that are included within the same tract or parcel of land as a single property provided such treatment is consistently followed. If the taxpayer treats two or more properties as a single property under this section, such properties shall be considered as a single property for all purposes of subtitle A of the Internal Revenue Code of 1954. The taxpayer may not make more than one combination of properties within the same tract or parcel of land. Thus, if the taxpayer treats two or more properties that are included within the same tract or parcel of land as a single property, each of the remaining properties included within such tract or parcel of land shall be treated as a separate property. If the taxpayer has treated two or more properties that are included within the same tract or parcel of land as a single property and subsequently discovers or acquires an additional mineral deposit within the same tract or parcel of land, he may include his interest in such deposit with the two or more properties which are being treated as a single property or he may treat his interest in such deposit as a separate property. If the taxpayer has treated each property included within a tract or parcel of land as a separate property and subsequently discovers or acquires an additional mineral deposit within the same tract or parcel of land, he may combine his interest in such deposit with any one of the separate properties included within the tract or parcel of land, but not with more than one of them since they cannot be validly combined with each other. The taxpayer may not combine properties which are included within different tracts or parcels of land under this section irrespective of whether such tracts or parcels of land are contiguous. The treatment of a property as a separate property or the treatment of two or more properties included within a single tract or parcel of land as a single property under this section shall be binding upon the taxpayer for the first taxable year for which such treatment is effective and for all subsequent taxable years. For provisions relating to the first taxable year for which treatment under this section becomes effective, see paragraph (d) of this section.

(b) *Treatment consistent with treatment for taxable years prior to 1954.* If the taxpayer has treated properties in a manner consistent with the rules contained in paragraph (a) of this section for taxable years to which the Internal Revenue Code of 1939 applies and if the taxpayer desires to treat such properties under section 614(d), then such properties must continue to be treated in the same manner. The provisions of this paragraph may be illustrated by the following examples:

Example (1). In 1950, taxpayer A owned two separate tracts of land designated No. 1 and No. 2. Each tract contained three mineral deposits. In the case of tract No. 1, taxpayer A treated the three mineral deposits as a single property. In the case of tract No. 2, taxpayer A treated the first mineral deposit as a separate property and treated the second and third mineral deposits as a single property. This treatment was consistently followed for the taxable years 1950, 1951, 1952, and 1953. Taxpayer A desires, for 1954 and subsequent taxable years, to treat the properties in tracts Nos. 1 and 2 as if section 614 (a) and (b) had not been enacted. For 1954 and subsequent taxable years, the three deposits in tract No. 1 must be treated as a single property; the first deposit in tract No. 2 must be treated as a separate property; and the second and third deposits in tract No. 2 must be treated as a single property.

Example (2). Assume the same facts as in example (1) except that, at the time the treatment under this section is adopted, assessment of any deficiency or credit or refund of any overpayment for the taxable years 1954 and 1955 resulting from the treatment of properties under this section is prevented by the operation of the statute of limitations. For 1956 and subsequent taxable years, the three deposits in tract No. 1 must be treated as a single property; the first deposit in tract No. 2 must be treated as a separate property; and the second and third deposits in tract No. 2 must be treated as a single property.

(c) *Bases of separate properties previously included in an aggregation under section 614(b).* If the taxpayer has made an election under section 614(b) to form an aggregation of operating mineral interests and if such taxpayer subsequently revokes such election for all taxable years for which it was made and treats the properties that are included within such aggregation under section 614(d) and this section by filing the statement required by paragraph (e) of this section, then the adjusted basis of each separate property (as defined in paragraph (a) of this section) that is a part of such aggregation shall be determined as if the taxpayer had made no election under section 614(b). However, if, at the time of the filing of the statement revoking the election under section 614(b), assessment of any deficiency or credit or refund of any overpayment, as the case may be, resulting from such revocation is prevented by the operation of any law or rule of law for any taxable year or years for which the election under section 614(b) was made, then the adjusted basis of each separate property that is a part of the aggregation shall be determined in accordance with the provisions contained in paragraph (a)(2) of § 1.614–6 as of the first day of the first taxable year for which the revocation is effective. After determining the adjusted basis of each separate property included within the aggregation, the taxpayer may treat such properties in any manner which is in accordance with paragraph (a) of this section. See, however, paragraph (b) of this section. The provisions of this paragraph may be illustrated by the following examples:

Example (1). Taxpayer A owns two separate tracts of land, designated No. 1 and No. 2, each of which contains three mineral deposits. The interests in the two tracts of land constitute an operating unit as defined in paragraph (c) of § 1.614–2. Taxpayer A elects under section 614(b) to form an aggregation of all the interests in the operating unit for 1954 and all subsequent taxable years. Subsequently, taxpayer A revokes such election by filing a statement in accordance with paragraph (e) of this section. Such revocation is effective for 1956 and subsequent taxable years because, at the time of the filing of the statement of revocation, assessment of any deficiency or credit or refund of any overpayment for the taxable years 1954 and 1955 resulting from such revocation is prevented by the operation of the statute of limitations. The adjusted bases of the six properties that are included within the aggregation shall be determined in accordance with paragraph (a)(2) of § 1.614–6 as of the beginning of the taxable year 1956.

Example (2). Assume the same facts as in example (1) and, in addition, assume that for taxable years to which the Internal Revenue Code of 1939 is applicable, taxpayer A treated the three deposits in tract No. 1 as a single property and the three deposits in tract No. 2 as a single property. After determining the adjusted basis of each of the six properties as illustrated in example (1), the adjusted bases of the three properties in tract No. 1 must be combined and the adjusted bases of the three properties in tract No. 2 must be combined since the manner in which such properties were treated for taxable years to which the Internal Revenue Code of 1939 is applicable is consistent with the rules contained in paragraph (a) of this section.

(d) *Treatment; when effective.* If a taxpayer treats any property in accordance with this section, then such treatment shall be effective for whichever of the following taxable years is the later:

(1) The latest taxable year for which an election could have been made with respect to such property under section 614(b); or

(2) The first taxable year beginning after December 31, 1953, and ending after August 16, 1954, in respect of which assessment of a deficiency or credit or refund of an overpayment, as the case may be, resulting from the treatment of such property under this section, is not prevented by the operation of any law or rule of law on the date such treatment is adopted.

(e) *Manner of adopting the treatment of properties under this section.* If the taxpayer does not make an election under section 614(b) with respect to a property within the time prescribed for making such an election, then the taxpayer shall be deemed to have treated such property under this section. In such case, the manner in which such property is treated in filing the taxpayer's income tax return for the first taxable year for which the treatment of such property is effective under paragraph (d) of this section shall establish the treatment which must be consistently followed with respect to such property for subsequent taxable years. However, if the income tax return for such first taxable year is filed prior to the first day of the first month which begins more than 90 days after the regulations under section 614 are published in the FEDERAL REGISTER as a Treasury decision, then the taxpayer may adopt the treatment provided for under this section with respect to the property by filing a statement at any time on or before the first day of such first month with the district director for the district in which the taxpayer's income tax return was filed for the first taxable year for which the treatment of such property is effective under paragraph (d) of this section. Such statement shall set forth the first taxable year for which the treatment of the

property under this section is effective, shall revoke any previous elections made with respect to such property under section 614(b), shall state the manner in which such property was treated for taxable years subject to the 1939 Code, shall state the manner in which such property is to be treated under this section, and shall be accompanied by an amended return or returns if necessary.

(f) *Certain treatment under this section precludes election to aggregate under section 614(b) with respect to the same operating unit.* If the taxpayer's treatment of any properties that are included within an operating unit (as defined in paragraph (c) of § 1.614–2) under section 614(d) and this section would constitute an aggregation under section 614(b) and if such taxpayer elects, or has elected, to form an aggregation within the same operating unit under section 614(b) for any taxable year for which the treatment under section 614(d) is effective, then the election made under section 614(b) shall not apply for any such taxable year.

§ 1.614–5 Special rules as to aggregating nonoperating mineral interests.

(a) *Aggregating nonoperating mineral interests for taxable years beginning before January 1, 1958.* Upon proper showing to the Commissioner, a taxpayer who owns two or more separate nonoperating mineral interests in a single tract or parcel of land, or in two or more contiguous tracts or parcels of land, shall be permitted to aggregate all such interests in each separate kind of mineral deposit and treat them as one property. Permission will be granted by the Commissioner only if the taxpayer establishes that he will sustain an undue hardship if such nonoperating mineral interests are not treated as one property. Such hardship may exist, for example, if it is impossible for the taxpayer to determine the boundaries, source, or costs of the separate interests, or if a taxpayer who owns a single royalty interest, production payment, or net profits interest cannot determine the separate deposits from which his payments will be derived. In no event shall undue hardship be deemed to exist solely by reason of tax disadvantage. The treatment of such interests as one property shall be applicable for all purposes of subtitle A of the Internal Revenue Code of 1954. In no event may nonoperating mineral interests in tracts or parcels of land which are not contiguous be treated as one property. The term "two or more contiguous tracts or parcels of land" means tracts or parcels of land which have common boundaries. Common boundaries include survey lines, public roads, or similar easements for the use of land without the existence of an intervening mineral right between the tracts or parcels of land. Tracts or parcels of land which touch only at a common corner are not contiguous. For the definition of "nonoperating mineral interests", see paragraph (g) of this section.

(b) *Manner and scope of election—(1) Time for filing application for permission to aggregate separate nonoperating mineral interests under paragraph (a) of this section.* The application for permission to aggregate separate nonoperating mineral interests under paragraph (a) of this section shall be filed at any time on or before the first day of the first month which begins more than 90 days after the regulations under section 614 are published in the Federal Register as a Treasury decision. Such application shall indicate the first taxable year for which the aggregation is to be formed. If, prior to such publication of the regulations under section 614, an application has been filed, the taxpayer need file only a supplemental application containing such additional information as is necessary to comply with the requirements of subparagraph (2) of this paragraph.

(2) *Contents of application and returns under permission.* The application for permission to aggregate nonoperating mineral interests under paragraph (a) of this section shall include a complete statement of the facts upon which the taxpayer relies to show the undue hardship which would result if such an aggregation were not permitted. Such application shall also include a description of all the nonoperating mineral interests owned by the taxpayer within the tract or tracts of land involved. If the Commissioner grants permission, a copy of the letter granting such permission shall be filed with the district director for the district in which the taxpayer's income tax return was filed for the first taxable year for which such permission applies, and shall be accompanied by an amended return or returns if necessary.

(3) *Election; binding effect.* The election to aggregate separate nonoperating mineral interests under paragraph (a) of this section shall be binding upon the taxpayer for the first taxable year for which made and all subsequent taxable years beginning before January 1, 1958, unless consent to make a change is obtained from the Commissioner. The application for consent to make a change must set forth in detail the reason or reasons for such change. Consent to a different treatment shall not be granted where the principal purpose for such change is due to tax consequences.

(4) *Aggregations under the 1939 Code.* An application for permission to aggregate nonoperating mineral interests under paragraph (a) of this section shall be submitted in accordance with the requirements of this paragraph notwithstanding the fact that the taxpayer may have aggregated such interests for taxable years to which the Internal Revenue Code of 1939 is applicable.

(c) *Termination of aggregation of nonoperating mineral interests—(1) General rule.* Any aggregation of nonoperating mineral interests formed under paragraphs (a) and (b) of this section shall not apply with respect to any taxable year beginning after December 31, 1957. Thus, if a taxpayer makes a binding election to form such an aggregation for taxable years beginning before January 1, 1958, then in order to form an aggregation with respect to any taxable year beginning after December 31, 1957, he must obtain permission in accordance with the rules prescribed in paragraphs (d) and (e) of this section.

(2) *Bases of separate nonoperating mineral interests.* If a taxpayer forms an aggregation of nonoperating mineral interests under paragraphs (a) and (b) of this section which is terminated under subparagraph (1) of this paragraph, the adjusted bases of the separate nonoperating mineral interests included in such aggregation shall be determined in accordance with paragraph (a)(2) of § 1.614–6.

(d) *Aggregating nonoperating mineral interests for taxable years beginning after December 31, 1957, or for earlier taxable years.* Upon proper showing to the Commissioner, a taxpayer who owns two or more separate nonoperating mineral interests in a single tract or parcel of land, or in two or more adjacent tracts or parcels of land, shall be permitted, under section 614(e), to form an aggregation of all of such interests in each separate kind of mineral deposit and treat such aggregation as one property. Permission shall be granted by the Commissioner only if the taxpayer establishes that a principal purpose in forming the aggregation is not the avoidance of tax. The fact that the aggregation of nonoperating mineral interests will result in a substantial reduction in tax is evidence that avoidance of tax is a principal purpose of the taxpayer. An aggregation formed under the provisions of this paragraph shall be considered as one property for all purposes of the Internal Revenue Code of 1954. In no event may nonoperating mineral interests in tracts or parcels of land which are not adjacent be aggregated and treated as one property. The term "two or more adjacent tracts or parcels of land" means tracts or parcels of land that are in reasonably close proximity to each other depending on the facts and circumstances of each case. Adjacent tracts or parcels of land do not necessarily have any common boundaries, and may be separated by intervening mineral rights. For the definition of "nonoperating mineral interests", see paragraph (g) of this section.

(e) *Manner and scope of election—(1) Time for filing application for permission to aggregate separate nonoperating mineral interests under section 614(e).* The application for permission to aggregate separate nonoperating mineral interests under section 614(e) and paragraph (d) of this section shall be made in writing to the Commissioner of Internal Revenue, Attention: Special Technical Services Division, Engineering and Valuation Branch, Washington 25, D.C. Such application shall be filed within 90 days after the beginning of the first taxable year beginning after December 31, 1957, for which aggregation is desired or within 90 days after the acquisition of one of the nonoperating mineral interests which is to be included in the aggregation, whichever is later. However, if the last day on which the application may be filed under this paragraph falls before the first day of the first month which begins more than 90 days after the regulations under section 614 are published in the FEDERAL REGISTER as a Treasury decision, such application may be filed at any time on or before the first day of such first month. If, prior to such publication of the regulations under section 614, an application

has been filed, the taxpayer need file only a supplemental application containing such additional information as is necessary to comply with subparagraph (4) of this paragraph.

(2) *Election to apply section 614(e) retroactively.* The application for permission to aggregate separate nonoperating mineral interests under section 614 (e) and paragraph (d) of this section may be filed, at the election of the taxpayer, for any taxable year beginning before January 1, 1958, to which the Internal Revenue Code of 1954 is applicable. In such case, the application may be filed at any time on or before the first day of the first month which begins more than 90 days after the regulations under section 614 are published in the FEDERAL REGISTER as a Treasury decision. Such application shall designate the first taxable year for which the aggregation is to be formed. If, prior to such publication of regulations under section 614, an application has been filed, the taxpayer need file only a supplemental application containing such additional information as is necessary to comply with the requirements of subparagraph (4) of this paragraph.

(3) *Limitation.* If the taxpayer forms any aggregation of nonoperating mineral interests under subparagraph (2) of this paragraph, then any aggregation of nonoperating mineral interests formed under paragraphs (a) and (b) of this section shall not apply for any taxable year. The provisions of this subparagraph may be illustrated by the following example:

Example. In 1954, taxpayer A owns six separate nonoperating mineral interests designated No. 1 through No. 6. Interests Nos. 1 through 3 are royalty interests in contiguous tracts of land. Interests Nos. 4 through 6, which are located in an entirely different area from interests Nos. 1 through 3, are royalty interests in tracts of land which are not contiguous but which are adjacent to each other. In 1959 taxpayer A obtains permission and elects under section 614(e) and subparagraph (2) of this paragraph to form an aggregation of interests Nos. 4 through 6 for 1956 and all subsequent taxable years. Taxpayer A may not elect to form an aggregation of interests Nos. 1 through 3 under paragraphs (a) and (b) of this section for 1954 or any subsequent taxable year. If taxpayer A wishes to form an aggregation of interests Nos. 1 through 3, he must obtain permission under paragraph (d) of this section and this paragraph.

(4) *Contents of application and returns under permission.* The application for permission to aggregate nonoperating mineral interests under section 614(e) and paragraph (d) of this section shall include a complete statement of the facts upon which the taxpayer relies to show that avoidance of tax is not a principal purpose of forming the aggregation. Such application shall also include a description of the nonoperating mineral interests within the tract or tracts of land involved. If the Commissioner grants permission, a copy of the letter granting such permission shall be attached to the taxpayer's income tax return for the first taxable year for which such permission applies. If the taxpayer has already filed such return, a copy of the letter of permission shall be filed with the district director for the district in which such return was filed and shall be accompanied by an amended return or returns if necessary or, if appropriate, a claim for credit or refund.

(5) *Election; binding effect.* The election to aggregate separate nonoperating mineral interests under section 614 (e) and paragraph (d) of this section shall be binding upon the taxpayer for the first taxable year for which made and for all subsequent taxable years unless consent to make a change is obtained from the Commissioner. The application for consent to make a change must set forth in detail the reason or reasons for such change. Consent to a different treatment shall not be granted where the principal purpose for such change is due to tax consequences.

(6) *Aggregations under the 1939 Code.* An application for permission to aggregate nonoperating mineral interests under section 614(e) and paragraph (d) of this section shall be submitted in accordance with the requirements of this paragraph notwithstanding the fact that the taxpayer may have aggregated such interests for taxable years to which the Internal Revenue Code of 1939 is applicable.

(f) *Elections, when effective.* If the taxpayer has elected to form an aggregation under either paragraph (a) or paragraph (d) of this section, the date on which the aggregation becomes effective is the first day of the first taxable year for which the election is made; except that if any separate nonoperating mineral interest included in such aggregation was acquired after such first day, the date on which the inclusion of such interest in such aggregation becomes effective is the date of its acquisition.

(g) *Definition of nonoperating mineral interests.* For purposes of this section, "nonoperating mineral interests" includes only those interests described in section 614(a) which are not operating mineral interests within the meaning of paragraph (b) of § 1.614–2. The taxpayer who holds the operating or working rights in a mineral deposit, but is not actually conducting operations with respect to such deposit, does not have a nonoperating mineral interest in such deposit notwithstanding the fact that he intends to transfer such operating rights at a later time.

§ 1.614–6 Rules applicable to basis, holding period, and abandonment losses where mineral interests have been aggregated.

(a) *Basis of property resulting from aggregation—(1) General rule.* When a taxpayer has aggregated as one property two or more interests under section 614 (b), (c), or (e), the unadjusted basis of such aggregated property shall be the sum of the unadjusted bases of the various mineral interests aggregated. The adjusted basis of the aggregated property on the effective date of the aggregation shall be the unadjusted basis of the aggregated property, adjusted by the total of all adjustments to the bases of the several mineral interests aggregated as required by section 1016 to the effective date of aggregation. Thereafter, the adjustments to basis required by section 1016 shall apply to the total adjusted basis of the aggregated property for all purposes of subtitle A of the Internal Revenue Code of 1954.

(2) *Bases upon disposition of part of, or termination of, or change in, an aggregated property.* (i) When a taxpayer has aggregated two or more separate mineral interests as one property under section 614 (b), (c), or (e) and thereafter sells, exchanges, or otherwise disposes of such property, the total adjusted basis of the property as of the date of sale, exchange, or other disposition must be apportioned to determine the adjusted basis of the part disposed of and the part retained for purposes of computing gain or loss, depletion, and for all other purposes of subtitle A of the Internal Revenue Code of 1954. Such adjusted basis shall be determined by apportioning the total adjusted basis of the property between the part of the property disposed of and the part retained in the same proportion as the fair market value of each part (as of the date of sale, exchange, or other disposition) bears to the total fair market value of the property as of such date. For determining gain or loss on the sale or exchange of any part of the aggregated property, the adjusted basis of the aggregated property (from which the adjusted basis of the part is determined) shall not be reduced below zero.

(ii) If, for any taxable year after the first taxable year for which an aggregation under section 614 (b), (c), or (e) is effective,

(*a*) Any such aggregation is terminated for any reason, or

(*b*) The treatment of any mineral interests in any such aggregation is changed after obtaining the consent of the Commissioner,

then the adjusted basis of the aggregated property as of the first day of the first taxable year for which such termination or change is effective shall be apportioned to determine the adjusted bases of the resultant separate mineral interests, as of such first day, for purposes of computing gain or loss, depletion, and for all other purposes of subtitle A of the Internal Revenue Code of 1954. The adjusted bases of such separate mineral interests shall be determined by apportioning the adjusted basis of the aggregated property (as of the first day of the first taxable year for which such termination or change is effective) between or among such interests in the same proportion as the fair market value of each such interest (as of such first day) bears to the total fair market value of the aggregated property as of such first day. For the purpose of determining the adjusted bases of the separate mineral interests, the adjusted basis of the aggregated property (from which the adjusted basis of each separate mineral interest is determined) shall not be reduced below zero.

(3) The application of subparagraphs (1) and (2) of this paragraph may be illustrated by the following examples:

Example (1). A taxpayer owning three operating mineral interests, designated Nos. 1, 2, and 3, within a single operating unit,

properly elects to aggregate such properties under section 614(b) for the calendar year 1954 in his income tax return filed on April 15, 1955. The unadjusted bases and adjustments under section 1016 for depletion through December 31, 1953, in respect of such properties are as follows:

	Unadjusted basis	*Adjustments under Section 1016*
No. 1	$25,000	$27,000
No. 2	18,000	10,000
No. 3	15,000	4,000
Total	58,000	41,000

The adjusted basis of the aggregated property as of January 1, 1954, is $17,000 ($58,000—$41,000).

Example (2). Assume the same facts as in example (1), except that a portion of the aggregated property is sold on June 1, 1956, for $15,000 which is also the fair market value of such portion on the date of sale. In order to determine the gain or loss from this sale as well as the adjusted basis of the retained property, an apportionment must be made. The aggregated property had a fair market value of $25,000 on the date of sale. From January 1, 1954, through May 31, 1956, $10,000 of depletion has been allowed with respect to the aggregated property. The adjusted basis of the portion sold is determined as follows:

$$\$7{,}000 \text{ (adjusted basis of aggregated property)} \times \frac{\$15{,}000}{\$25{,}000} = \$4{,}200 \text{ (adjusted basis of portion sold)}$$

Therefore, the gain on this sale of the portion sold is $10,800 ($15,000—$4,200). The adjusted basis of the property retained is $2,800 ($7,000—$4,200).

Example (3). Assume the same facts as in example (2), except that instead of selling, the taxpayer subleases one of the leases making up the aggregated property, retaining a one-eighth royalty interest therein. The fair market value of such lease is $15,000 on the date of the sublease. The adjusted basis of such royalty interest is $4,200 which is computed as follows:

$$\$7{,}000 \text{ (adjusted basis of aggregated property)} \times \frac{\$15{,}000 \text{ (FMV of portion transferred)}}{\$25{,}000 \text{ (FMV of aggregated property)}}$$

Example (4). In 1953, a taxpayer owned mineral interests Nos. 1, 2, and 3 which he operated as a unit. He owned no other operating interests during that year. The unadjusted bases of these properties were $10,000, $15,000, and $20,000, respectively, and depletion allowed through December 31, 1953, was $5,000 with respect to each property. The taxpayer operated these properties during the year 1954 and, in addition, operated as part of the unit mineral interest No. 4 which he acquired on July 1, 1954, on which date he made the first exploration expenditure with respect thereto. He paid $20,000 for No. 4. In his return for the calendar year 1954, the taxpayer elected under section 614(b) to aggregate all of these mineral interests. The taxpayer must compute cost depletion for the calendar year 1954 on the basis of an aggregated property with an adjusted basis of $30,000 ($45,000—$15,000) for the period from January 1 to June 30, and with an adjusted basis of $50,000 (less depletion for the first six months) for the period from July 1 to December 31. If applicable, the taxpaper must compute percentage depletion on the basis of gross income and taxable income from the aggregated property for the entire year, including the gross income and deductions with respect to operating mineral interest No. 4 for the period from July 1 to December 31. If a portion of the aggregated property is sold during the first six months, its adjusted basis must be determined at the time of sale with an adjustment for depletion to the date of sale. If percentage depletion is applicable, it must be allocated on an equitable basis to the periods prior and subsequent to the date of sale in order to determine the adjustment for depletion to the date of sale.

(4) *Basis for gain and loss where mineral interests acquired before March 1, 1913, are included in an aggregation.* Where mineral interest acquired before March 1, 1913, are included in an aggregation under section 614 (b), (c), or (e), the aggregated property has two bases, one for the determination of gain and another for the determination of loss upon the disposition of the whole or a part of the aggregated property. For the purpose of determining gain, the adjusted basis of the aggregated property on the effective date of aggregation shall be the sum of—

(i) The unadjusted bases of those mineral interests acquired on or after March 1, 1913, plus

(ii) The cost of any interest acquired before March 1, 1913 (adjusted for the period before March 1, 1913), or the fair market value of such interest as of March 1, 1913, whichever is greater,

and such sum shall be adjusted by the total of all adjustments to the bases of the several mineral interests aggregated as required by section 1016 to the effective date of aggregation. For the purpose of determining loss, the adjusted basis of the aggregated property on the effective date of aggregation shall be the sum of—

(iii) The unadjusted bases of those mineral interests acquired on or after March 1, 1913, plus

(iv) The cost of those interests acquired before March 1, 1913, adjusted for the period before March 1, 1913, and such sum shall be adjusted by the total of all adjustments to the bases of the several mineral interests aggregated as required by section 1016 to the effective date of aggregation. Thereafter, the adjustments to basis required by section 1016 shall apply to the total adjusted basis of the aggregated property for all purposes of the Internal Revenue Code of 1954. Upon disposition of a part of the aggregated property or upon termination of the aggregation for any reason, or upon change in the treatment of any mineral interests in the aggregation with consent of the Commissioner, the adjusted basis for determining gain and the adjusted basis for determining loss with respect to each resultant part of the aggregated property shall be determined in accordance with subparagraph (2) of this paragraph. The provisions of this subparagraph may be illustrated by the following examples:

Example (1). At the close of 1953 a taxpayer owned two operating mineral interests designated as Nos. 1 and 2 in the same operating unit. Operating mineral interest No. 1 was acquired by the taxpayer before March 1, 1913, and on such date its basis with reference to its fair market value was $50,000 and its adjusted basis with reference to its cost was $44,000. The unadjusted basis of operating mineral interest No. 2, acquired after March 1, 1913, was $30,000. Adjustments under section 1016 for depletion from March 1, 1913, through December 31, 1953, were $37,000 for operating mineral interest No. 1 and $20,000 for operating mineral interest No. 2. Assume that the taxpayer elected for the taxable year 1954 to aggregate operating mineral interests Nos. 1 and 2. The adjusted basis of the aggregated property as of January 1, 1954, for the purpose of determining gain would be $23,000 ($50,000 plus $30,000) minus ($37,000 plus $20,000). For the purpose of determining loss, the adjusted basis would be $17,000 ($44,000 plus $30,000) minus ($37,000 plus $20,000).

$$\frac{\$20{,}000 \text{ (FMV of portion sold)}}{\$24{,}000 \text{ (FMV of aggregated property)}} \times \$18{,}000 \text{ (adjusted basis for gain)} = \$15{,}000 \text{ (adjusted basis of portion sold)}$$

Taxpayer's gain would then be computed as follows:

	$20,000 amount received for portion sold
Less:	15,000 adjusted basis of portion sold
	5,000 gain on portion sold

The adjusted basis of the portion retained as of January 1, 1956, for the purpose of determining gain is $3,000 ($18,000—$15,000). For the purpose of determining loss, the adjusted basis is $2,000 ($12,000—$10,000).

Example (2). Assume the same facts as in example (1) and further assume that for the taxable years 1954 and 1955, the taxpayer was allowed $5,000 of depletion on the aggregated property, that on January 1, 1956, he sold a portion of the aggregated property for $20,000, and that, as of January 1, 1956, the aggregated property had a fair market value of $24,000. At the time of sale, the adjusted basis of the aggregated property for the purpose of determining gain was $18,000 ($23,000—$5,000); and the adjusted basis for the purpose of determining loss was $12,000 ($17,000—$5,000). The adjusted basis of the portion sold would be computed as follows:

$$\frac{\$5{,}000 \text{ (FMV of portion sold)}}{\$10{,}000 \text{ (FMV of aggregated property)}} \times \$12{,}000 \text{ (adjusted basis for loss)} = \$6{,}000 \text{ (adjusted basis of portion sold)}$$

Taxpayer's loss would then be computed as follows:

	$5,000 amount received for portion sold
Less:	6,000 adjusted basis of portion sold
	(1,000) loss on portion sold

(b) *Holding period of aggregated properties.* Where a taxpayer sells or exchanges either a part or all of an aggregated property which includes part or all of a mineral interest which the taxpayer has held for six months or less, the sales price and adjusted basis attributable to the interest sold must be apportioned in proportion to the relative fair market values as of the date of sale to determine the amount of income represented by the sale of property held for six months or less. The application of this rule may be illustrated by the following example:

Example. Taxpayer A owns operating mineral interests Nos. 1, 2, and 3. He acquired

interests Nos. 1 and 2 in 1953 but purchased and made development expenditures on interest No. 3 on December 1, 1954. In his return for the taxable year 1954, taxpayer A elects to aggregate interests Nos. 1, 2, and 3 which are operated as a unit. On May 1, 1955, taxpayer A sells the north half of the aggregated property which includes portions of interests Nos. 1, 2, and 3. The sales price of the north half was $80,000; the adjusted basis of the aggregated property as of the date of sale was $20,000; and the fair market value of the aggregated property as of the date of sale was $100,000. The adjusted basis applicable to the north half is computed as follows:

$$\frac{\$80{,}000 \text{ (FMV of portion sold)}}{\$100{,}000 \text{ (FMV of aggregated property)}} \times \$20{,}000 \text{ (adjusted basis of aggregated property)} = \$16{,}000 \text{ (adjusted basis of portion sold)}$$

The total gain on the sale is $64,000 ($80,000−$16,000).

The gain attributable to the sale of the portion held for six months or less is computed as follows (assuming that the fair market value of the portion of No. 3 included in the sale as of the date of sale was $30,000):

$$\frac{\$30{,}000 \text{ (FMV of portion of No. 3 sold)}}{\$80{,}000 \text{ (FMV of north half)}} \times \$16{,}000 \text{ (adjusted basis of north half)} = \$6{,}000 \text{ (adjusted basis of portion of No. 3 sold)}$$

The gain on the portion of No. 3 sold is $24,000 ($30,000−$6,000).

(c) *Abandonment and casualty losses.* In the case of mineral interests which are aggregated as one property, no losses resulting from abandonment are allowable until the aggregated property is abandoned or disposed of in its entirety. Casualty losses are allowable in accordance with the rules applicable to casualty losses in general. For rules applicable to losses in general, see section 165 and the regulations thereunder.

[F.R. Doc. 60–7607; Filed, Aug. 12, 1960; 8:51 a.m.]

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[50 CFR Part 8]

CERTAIN LANDS AND WATERS WITHIN AND ADJACENT TO ST. MARKS NATIONAL WILDLIFE REFUGE, FLORIDA

Intention To Designate as Closed Area Under Migratory Bird Treaty Act

Notice is hereby given that pursuant to the authority vested in me, it is proposed to designate as closed to the hunting of migratory birds, an area of land and water in Jefferson, Taylor, and Wakulla Counties, Florida, comprising part of the St. Marks National Wildlife Refuge and certain lands and waters adjacent thereto. This designation will supersede the Order of October 22, 1953 (18 F.R. 6837). The purpose of this designation is to aid administration of the St. Marks National Wildlife Refuge and to increase the effectiveness of the refuge for the purposes for which it was acquired by the United States.

It is the policy of the Department of the Interior whenever practicable to afford the public an opportunity to participate in the formulation of the proposed rules. Accordingly, interested persons may submit their views, data, or arguments in writing to D. H. Janzen, Director, Bureau of Sport Fisheries and Wildlife, Washington 25, D.C., within 30 days of the date of publication of this notice in the FEDERAL REGISTER.

The text of the proposed designation is as follows:

This action is taken by virtue of and pursuant to section 3 of the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), as amended by the act of June 20, 1936 (49 Stat. 1555), and by virtue of the Reorganization Plan II (53 Stat. 1431), and in accordance with the section 4(a) of the Administrative Procedure Act of June 11, 1946 (60 Stat. 238).

Having due regard to the zones of temperature and to the distribution, abundance, economic value, breeding habits, and times and lines of migratory flight of migratory birds included in the terms of the Convention between the United States and Great Britain for the protection of migratory birds, concluded August 16, 1916, and the Convention between the United States and the United Mexican States for the protection of migratory birds and game mammals, concluded February 7, 1936, I hereby designate as a closed area in or on which pursuing, hunting, taking, capturing, or killing of migratory birds, or attempting to take, capture, or kill migratory birds is not permitted, an area of land and water in Jefferson, Taylor, and Wakulla Counties, Florida, comprising parts of the St. Marks National Wildlife Refuge and certain lands and waters adjacent thereto, embraced within the following boundary:

TALLAHASSEE MERIDIAN

Parcel No. 1. Beginning at the corner of secs. 1, 2, 11, and 12, in T. 4 S., R. 1 E.; thence from said initial point, southerly between secs. 11 and 12, and secs. 13 and 14 to the corner of secs. 13, 14, 23, and 24; easterly between secs. 13 and 24 to the corner of secs. 13 and 24 in T. 4 S., R. 1 E. and secs. 18 and 19 in T. 4 S., R. 2 E.; thence in T. 4 S., R. 2 E. easterly between secs. 18 and 19, 17 and 20, 16 and 21, 15 and 22, 14 and 23, and 13 and 24 to the corner of secs. 13 and 24, T. 4 S., R. 2 E., and secs. 18 and 19 in T. 4 S., R. 3 E.; thence in T. 4 S., R. 3 E. easterly between secs. 18 and 19, 17 and 20, 16 and 21, 15 and 22, 14 and 23, 13 and 24, to the corner of secs. 13 and 24, T. 4 S., R. 3 E., and secs. 18 and 19 in T. 4 S., R. 4 E.; southerly between sec. 24, T. 4 S., R. 3 E. and sec. 19, T. 4 S., R. 4 E., to the center of the Aucilla River channel; southwesterly in secs. 24 and 25 downstream with the center of the Aucilla River channel to the line between secs. 25 and 36; easterly between secs. 25 and 36 to the corner of secs. 25 and 36, T. 4 S., R. 3 E., and secs. 30 and 31, T. 4 S., R. 4 E.; thence between sec. 36, T. 4 S., R. 3 E., and sec. 31, T. 4 S., R. 4 E., and sec. 1, T. 5 S., R. 3 E., and sec. 6, T. 5 S., R. 4 E., southerly to the shore of the Gulf of Mexico; thence across the Gulf of Mexico, S. 75°44′ W., 35.92 chains to a point on East Cut-off Island; S. 77°14′ W., 3.77 chains, along the south side of East Cut-off Island to Green Point, the southernmost extremity thereof; S. 75° W., 5.2 miles (approximately) to a point on the south side of Peters Rock; S. 82° W., 6.7 miles (approximately) to the Front Range Beacon, approximately 2.35 miles southerly from St. Marks Lighthouse; S. 76° W. 1 mile (approximately) to the south side of a shoal; west 1 mile to a point; northwesterly 4.4 miles (approximately) to a point in the east boundary of Hartsfield Survey, Lot 121, on the east side of Live Oak Point, from which a U.S.B.S. standard concrete post set for a witness corner bears N. 65°45′ W., 1.35 chains distant; thence in Hartsfield Survey, Lot 121, S. 72°51′ W., 59.21 chains, across Live Oak Point and Walker Creek; S. 80°03′ W., 60.76 chains; N. 17°09′ W., 60.00 chains to the corner of Hartsfield Survey, Lots 116 and 117, in the north boundary of Lot 121; thence continuing in the Hartsfield Survey, northwesterly between Lots 116 and 117, 106 and 107, 96 and 97, and 65 and 48; northeasterly between Lots 48 and 49, 46 and 47, 30 and 31, 28 and 29, 14 and 15, 7 and 8; northwesterly between Hartsfield Survey Lot 7 and Hartsfield River Survey Lot 7 to the northwest corner of River Survey Lot 7; thence in Hartsfield River Survey, northeasterly between Lots 6 and 7 to the corner of said Lots 6 and 7 on the right bank of the Wakulla River; northeasterly in the Wakulla River to the center of its channel; thence downstream with the center of the Wakulla River channel southeasterly to its confluence with the St. Marks River; thence upstream with the center of the St. Marks River channel to a point in the line between secs. 2 and 11, T. 4 S., R. 1 E.; thence between secs. 2 and 11, in T. 4 S., R. 1 E., easterly to the place of beginning.

Parcel No. 2. Beginning at the one-quarter corner common to secs. 21 and 22 in T. 5 S., R. 2 W., southerly between secs. 21 and 22, 27 and 28, 33 and 34 to the southeast corner of sec. 33, T. 5 S., R. 2 W.; westerly between sec. 33 in T. 5 S., R. 2 W. & sec. 4 in T. 6 S., R. 2 W. to the left or north bank of the Sopchoppy River; thence southwesterly across the Sopchoppy River to the point of intersection of the right bank of the Sopchoppy River and the left bank of the Cutoff River; thence southwesterly and southerly with the left bank of Cutoff River to its intersection with the left bank of the Ochlockonee River; thence southwesterly; northwesterly, and southwesterly with the left bank of the Ochlockonee River to the line between sec. 36 in T. 5 S., R. 3 W.; westerly between sec. 36 in T. 5 S., R. 3 W. and sec. 1 in T. 6 S., R. 3 W., to the southwest corner of said sec. 36; thence in T. 5 S., R. 3 W., northerly between secs. 35 and 36 to the northwest corner of sec. 36; easterly between secs. 25 and 36 to the northeast corner of sec. 36; northerly between sec. 25 in T. 5 S., R. 3 W., and sec. 30 in T. 5 S., R. 2 W. to the southeast corner of sec. 24 in T. 5 S., R. 3 W.; westerly between secs. 24 and 25 to the southwest corner of sec. 24; northerly between secs. 23 and 24 to the intersection with the east right-of-way line of State Highway No. 377; northeasterly with said east right-of-way line to its intersection with the east-west quarter line of section 24; easterly along the east-west quarter line of sec. 24, T. 5 S., R. 3 W., to the east quarter corner of said sec. 24; thence in T. 5 S., R. 2 W., easterly along the east-west quarter lines of secs. 19, 20, and 21 to the place of beginning.

FRED A. SEATON,
Secretary of the Interior.

AUGUST 9, 1960.

[F.R. Doc. 60–7561; Filed, Aug. 12, 1960; 8:46 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 909]

ALMONDS GROWN IN CALIFORNIA

Proposed Salable and Surplus Percentages for 1960–61 Crop Year

Notice is hereby given that there is under consideration the proposed establishment of a salable percentage of 75 percent and a surplus percentage of 25 percent for California almonds during the 1960–61 crop year which began on July 1, 1960. The proposed percentages, which are based upon the recommendation of the Almond Control Board and other available information, would be established in accordance with the applicable provisions of amended Marketing Agreement No. 119 and Order No. 9 (7 CFR Part 909), regulating the handling of almonds grown in California. Said amended marketing agreement and order are effective under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C., 601–674).

Consideration will be given to written data, views or arguments pertaining thereto which are received by the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., not later than ten days after publication of this notice in the FEDERAL REGISTER.

The proposed percentages are based on the following estimates (in terms of kernel weight) for the crop year beginning July 1, 1960: (1) Production of 54 million pounds; (2) trade demand for domestic almonds of 50 million pounds (based on a total trade demand of 50.5 million pounds less 500,000 pounds of imported almonds); (3) a handler carryover of 22.7 million pounds on July 1, 1960; (4) provision for a handler carryover of 13.2 million pounds on June 30, 1961; (5) total trade demand and carryover requirements for 1960 crop of 40.5 million pounds; and (6) a surplus supply of 13.5 million pounds.

The proposal is as follows:

§ 909.210 Salable and surplus percentages for almonds during the crop year beginning July 1, 1960.

The salable and surplus percentages during the crop year beginning July 1, 1960, applicable to the total kernel weight of almonds received by handlers for their own accounts shall be 75 percent and 25 percent, respectively.

Dated: August 10, 1960.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60–7600; Filed, Aug. 12, 1960; 8:49 a.m.]

[7 CFR Part 958]

[Area No. 1]

IRISH POTATOES GROWN IN COLORADO

Proposed Expenses and Rate of Assessment

Notice is hereby given that the Secretary of Agriculture is considering the approval of the expenses and rate of assessment hereinafter set forth which were recommended by the area committee for Area No. 1 established pursuant to Marketing Agreement No. 97, as amended, and Order No. 58, as amended (7 CFR Part 958, 25 F.R. 7092) regulating the handling of Irish potatoes grown in the State of Colorado and issued under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

Consideration will be given to any data, views, or arguments pertaining thereto which are filed with the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., not later than 15 days following publication of this notice in the FEDERAL REGISTER. The proposals are as follows:

§ 958.233 Expenses and rate of assessment.

(a) The reasonable expenses that are likely to be incurred by the area committee for Area No. 1 established pursuant to Marketing Agreement No. 97, as amended, and Order No. 58, as amended, to enable such committee to perform its functions, pursuant to the provisions of the aforesaid amended marketing agreement and amended order, during the fiscal period ending May 31, 1961, will amount to $750.00.

(b) The rate of assessment to be paid by each handler in Area No. 1 pursuant to Marketing Agreement No. 97, as amended, and Order No. 58, as amended, shall be one cent ($0.01) per hundredweight of potatoes handled by him as the first handler thereof during said fiscal period.

(c) Terms used in this section shall have the same meaning as when used in Marketing Agreement No. 97, as amended, and Order No. 58, as amended (7 CFR Part 958, 25 F.R. 7092).

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: August 9, 1960.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60–7577; Filed, Aug. 12, 1960; 8:47 a.m.]

[7 CFR Part 958]

[Area No. 3]

IRISH POTATOES GROWN IN COLORADO

Proposed Expenses and Rate of Assessment

Notice is hereby given that the Secretary of Agriculture is considering the approval of the expenses and rate of assessment hereinafter set forth which were recommended by the area committee for Area No. 3 established pursuant to Marketing Agreement No. 97, as amended, and Order No. 58, as amended (7 CFR Part 958, 25 F.R. 7092), regulating the handling of Irish potatoes grown in the State of Colorado and issued under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

Consideration will be given to any data, views, or arguments pertaining thereto which are filed with the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., not later than 15 days following publication of this notice in the FEDERAL REGISTER. The proposals are as follows:

§ 958.234 Expenses and rate of assessment.

(a) The reasonable expenses that are likely to be incurred by the area committee for Area No. 3 established pursuant to Marketing Agreement No. 97, as amended, and this part, as amended, to enable such committee to perform its functions, pursuant to the provisions of the aforesaid amended marketing agreement and amended order, during the fiscal period ending May 31, 1961, will amount to $3,125.00.

(b) The rate of assessment to be paid by each handler in Area No. 3 pursuant to Marketing Agreement No. 97, as amended, and this part, as amended, shall be ($0.00125) per hundredweight of potatoes handled by him as the first handler thereof during said fiscal period.

(c) Terms used in this section shall have the same meaning as when used in Marketing Agreement No. 97, as amended, and this part, as amended (7 CFR Part 958, 25 F.R. 7092).

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: August 9, 1960.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60–7578; Filed, Aug. 12, 1960; 8:47 a.m.]

Commodity Stabilization Service

[7 CFR Part 722]

EXTRA LONG STAPLE COTTON; 1961 CROP

Notice of Determinations To Be Made With Respect to a National Marketing Quota; National, State, and County Allotments; Fixing of a Date for Holding a Referendum; and Formulation of Regulations Pertaining to Acreage Allotments

Pursuant to the authority contained in the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the "act") (52 Stat. 31, as amended; 7 U.S.C. 1281 et seq.), the Secretary of Agriculture is preparing to determine whether a national marketing quota is

required to be proclaimed for the 1961 crop of extra long staple cotton (hereinafter referred to as "ELS cotton"). If such quota is required, the Secretary will also determine and proclaim the amount of the quota and the amount of the national allotment for the 1961 crop of ELS cotton and will issue regulations pertaining to acreage allotments for ELS cotton.

Section 347(b) of the act provides that whenever during any calendar year, not later than October 15, the Secretary determines that the total supply of ELS cotton for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of ELS cotton produced in the next calendar year.

Section 347(b) of the act further provides that the Secretary shall also determine and specify in such proclamation the amount of the national marketing quota which shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until ELS cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks.

The national marketing quota for 1961 cannot be less than the larger of (1) 30,000 bales, (2) a number of bales equal to 30 per centum of the estimated domestic consumption plus exports of ELS cotton for the marketing year beginning in the calendar year in which such quota is proclaimed, or (3) 90 per centum of the 1959 marketing quota for ELS cotton.

As defined in section 301 of the act, for purposes of the determinations provided for in section 347(b) of the act, "total supply" of ELS cotton for any marketing year is the carryover at the beginning of such marketing year, plus the estimated production of ELS cotton in the United States during the calendar year in which such marketing year begins, and the estimated imports of ELS cotton into the United States during such marketing year; "carryover" of ELS cotton for any marketing year is the quantity of ELS cotton on hand in the United States at the beginning of such marketing year not including any part of the crop which was produced in the United States during the calendar year then current nor any Government stocks of ELS cotton acquired pursuant to, or under the authority of, the Strategic and Critical Materials Stockpiling Act; "normal supply" of ELS cotton for any marketing year is the estimated domestic consumption of ELS cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of ELS cotton for such marketing year, plus 30 per centum of such consumption and exports as an allowance for carryover; and "marketing year" for ELS cotton is the period August 1–July 31. For purposes of the supply determinations required to be made under section 347(b) of the act, the term "ELS cotton" refers to all American-Egyptian, Sea Island and Sealand cotton (United States and Puerto Rico), and to all similar types imported from Egypt, Sudan, and Peru.

Section 344(a) of the act provides that whenever a national marketing quota is proclaimed, the Secretary shall determine and proclaim a national allotment for the crop of ELS cotton to be produced in the next calendar year. The national allotment for ELS cotton for 1961 is that acreage, based upon the national average yield per acre of ELS cotton for the four years 1956, 1957, 1958 and 1959, which is required to make available from such crop an amount of ELS cotton equal to the national marketing quota.

If a national allotment is proclaimed for the 1961 crop of ELS cotton, such allotment will be apportioned among the States, as provided by section 344(b) of the act, on the basis of the acreage planted to ELS cotton during the five calendar years 1955, 1956, 1957, 1958, and 1959, with adjustments during such period as provided under the act, the Soil Bank provisions of the Agricultural Act of 1956 (70 Stat. 188; 7 U.S.C. 1801 et seq.) and the Great Plains Conservation Program provisions of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590p(b)).

The regulations which the Secretary will issue pertaining to acreage allotments for the 1961 crop of ELS cotton will be substantially the same as those issued for the 1960 crop and will provide for approval by the Secretary and publication thereof in the FEDERAL REGISTER of State and county allotments and State and county reserves. However, consideration is being given to (a) clarification of the procedure for distribution of State reserves for correction of inequities and prevention of hardship to the end that farms with acreage diverted from the production of cotton under the conservation reserve program of the Soil Bank and the Great Plains program will receive equitable treatment, and (b) deletion of the provision for prevention of release of allotment by the holder of a real estate lien on the farm. In addition, the regulations will implement sections 377 and 344(f)(8) of the act with respect to farm acreage histories and farm base adjustments and sections 377 and 344(m)(2) of the act with respect to State and county acreage histories, as required by the amendment of such sections of the act by Public Law 86–172 (73 Stat. 393, approved August 18, 1959). The regulations will also establish the date and manner of conducting the referendum for the 1961 crop of ELS cotton.

Since allotments were in effect for the 1960 crop of ELS cotton, farm allotments for the 1961 crop are required to be established pursuant to the method in section 344(f)(8) of the act in all counties.

Section 343 of the act provides that not later than December 15 following the issuance of the proclamation of the national marketing quota, the Secretary shall conduct a referendum by secret ballot, of farmers engaged in the production of ELS cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed. If a quota is proclaimed for the 1961 crop of ELS cotton, it is expected that December 13, 1960, will be set as the date of the referendum in the regulations for the 1961 crop of ELS cotton.

Section 362 of the act provides that notice of the farm allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall, insofar as practicable, be mailed to the farm operator in sufficient time to be received prior to the date of the referendum.

Prior to making any of the foregoing determinations with respect to the national marketing quota, the national allotment, the apportionment of the national allotment to the States and the State allotments to the counties, fixing a date for holding a referendum, and the formulation of regulations pertaining to acreage allotments for the 1961 crop of ELS cotton, consideration will be given to any data, views, and recommendations pertaining thereto which are submitted in writing to the Director, Cotton Division, Commodity Stabilization Service, United States Department of Agriculture, Washington 25, D.C., within 20 days following the publication of this notice in the FEDERAL REGISTER. The date of the postmark will be considered as the date of any submission.

Issued at Washington, D.C., this 9th day of August 1960.

WALTER C. BERGER,
Administrator,
Commodity Stabilization Service.

[F.R. Doc. 60–7603; Filed, Aug. 12, 1960; 8:50 a.m.]

[7 CFR Part 722]

UPLAND COTTON; 1961 CROP

Notice of Determinations To Be Made With Respect to a National Marketing Quota; National, State and County Allotments; Fixing of a Date for Holding a Referendum; and Formulation of Regulations Pertaining to Acreage Allotments

Pursuant to the authority contained in the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the "act") (52 Stat. 31, as amended; 7 U.S.C. 1281 et seq.), the Secretary of Agriculture is preparing to determine whether a national marketing quota is required to be proclaimed for the 1961 crop of upland cotton (hereinafter referred to as "cotton"). If such quota is required, the Secretary will also determine and proclaim the amount of the quota and the amount of the national allotment for the 1961 crop of upland cotton and will issue regulations pertaining to acreage allotments for cotton.

Section 342 of the act provides that whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed

the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year.

Section 342 of the act further provides that the Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (a) the estimated carryover at the beginning of the marketing year which begins in the next calendar year and (b) the estimated imports during such marketing year, to make available a normal supply of cotton: *Provided*, That such national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustment in the amount of such quota as he determines necessary after taking into consideration the estimated stocks of cotton in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security; but the Secretary, in making such adjustments, may not reduce the national marketing quota below (1) one million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (2) ten million bales, whichever is larger. Notwithstanding the foregoing, the national marketing quota shall be not less than the number of bales required to provide a national acreage allotment of sixteen million acres.

Section 342 of the act requires the proclamation of the national marketing quota to be made not later than October 15 of the calendar year in which the determination is made that the total supply of cotton exceeds the normal supply.

As defined in section 301 of the act for purposes of the determinations provided for in section 342 of the act, "total supply" of cotton for any marketing year is the carryover at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins, and the estimated imports of cotton into the United States during such marketing year; "carryover" of cotton for any marketing year is the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current; "normal supply" of cotton for any marketing year is the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of such consumption and exports as an allowance for carryover; and "marketing year" for cotton is the period August 1–July 31.

Section 344(a) of the act provides that whenever a national marketing quota is proclaimed under section 342 of the act, the Secretary shall determine and proclaim a national allotment for the crop of cotton to be produced in the next calendar year. The national allotment for cotton for 1961 is that acreage, based upon the national average yield per acre of cotton for the 4 calendar years 1956, 1957, 1958, and 1959, which is required to make available from the 1961 crop an amount of cotton equal to the national marketing quota.

If a national allotment is proclaimed for the 1961 crop of cotton, such allotment will be apportioned among the States, as provided by section 344(b) of the act, on the basis of the acreage planted to cotton during the 5 calendar years 1955, 1956, 1957, 1958, and 1959, with adjustments during such period as provided under the act, the Soil Bank provisions of the Agricultural Act of 1956 (70 Stat. 188; 7 U.S.C. 1801 et seq.), as amended, and the Great Plains Conservation Program provisions of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 690p(b)).

Section 344(b) of the act provides for apportionment among the States of the 310,000 acre national reserve on the basis of their needs for additional acreage for establishing minimum farm allotments as determined or estimated by the Secretary. For the 1961 crop of cotton, it is planned that such needs for each State and each county therein will be estimated to be the same as the needs determined for the 1960 crop of cotton.

The regulations which the Secretary will issue pertaining to acreage allotments for the 1961 crop of cotton will be substantially the same as those issued for the 1960 crop, except for the Choice (B) allotment provisions which applied only to the 1959 and 1960 crops of cotton, and will provide for approval by the Secretary and publication thereof in the FEDERAL REGISTER of State and county allotments and State and county reserves. In addition, the regulations will implement sections 377 and 344(f)(8) of the act with respect to farm acreage histories and farm base adjustments and sections 377 and 344(m)(2) of the act with respect to State and county acreage histories as required by the amendment of such sections by Public Law 86–172 (73 Stat. 393, approved August 18, 1959). The regulations will also establish the date of and the manner of conducting the referendum for the 1961 crop of cotton. Consideration is being given to (a) clarification of the procedure for distribution of State reserves for correction of inequities and prevention of hardship to the end that farms with acreage diverted from the production of cotton under the conservation reserve program of the Soil Bank and the Great Plains program will receive equitable treatment and (b) deletion of the provision for prevention of release of allotment by the holder of a real estate lien on the farm.

Since allotments were in effect for the 1960 crop of cotton, farm allotments for the 1961 crop are required to be established pursuant to the method in section 344(f)(8) of the act in all counties.

Section 343 of the act provides that not later than December 15 following the issuance of the proclamation of the national marketing quota provided for in section 342 of the act, the Secretary shall conduct a referendum by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed. If a quota is proclaimed for the 1961 crop of cotton, it is expected that December 13, 1960, will be set as the date of the referendum in the regulations for the 1961 crop of cotton.

Section 362 of the act provides that notice of the farm allotment established for each farm shown by the records of the county committee to be entitled to such allotment, shall, insofar as practicable, be mailed to the farm operator in sufficient time to be received prior to the date of the referendum.

Prior to making any of the foregoing determinations with respect to the national marketing quota, the national allotment, the apportionment of the national allotment to States and the State allotments to counties, fixing a date for holding a referendum, and the formulation of regulations pertaining to acreage allotments for the 1961 crop of cotton, consideration will be given to any data, views, and recommendations pertaining thereto which are submitted in writing to the Director, Cotton Division, Commodity Stabilization Service, United States Department of Agriculture, Washington 25, D.C., within 20 days following the publication of this notice in the FEDERAL REGISTER. The date of postmark will be considered as the date of any submission.

Issued at Washington, D.C., this 9th day of August 1960.

WALTER C. BERGER,
Administrator,
Commodity Stabilization Service.

[F.R. Doc. 60–7604; Filed, Aug. 12, 1960; 8:50 a.m.]

CIVIL AERONAUTICS BOARD

[14 CFR Part 221]

[Economic Regs.; Docket 11618]

CONSTRUCTION, PUBLICATION, FILING, AND POSTING OF TARIFFS OF AIR CARRIERS AND FOREIGN AIR CARRIERS

Extension of Time for Filing Comments

AUGUST 11, 1960.

The Board, by circulation of a notice of proposed rule making dated July 12, 1960, and published in the FEDERAL REGISTER on July 15, 1960 (25 F.R. 6704),

gave notice that it had under consideration an amendment to Part 221 of the Board's Economic Regulations for the purpose of bringing all effective tariffs within the form requirements of this part.

In its notice, the Board requested interested parties to submit such comments as they might desire not later than August 15, 1960. Requests have been received by the Board asking for an extension of time in which to file comments.

The undersigned, acting under authority duly delegated to him by the Board finds that good cause has been shown and that it will be in the public interest to grant an extension of time for the filing of comments.

Therefore, pursuant to the authority delegated under section 7.3 of Public Notice PN 14, the undersigned hereby extends the time within which to file comments on EDR-15 until September 15, 1960.

(Sections 204(a) and 1001 of the Federal Aviation Act, 72 Stat. 743, 788; 49 U.S.C. 1324, 1481)

[SEAL] FRANKLIN M. STONE,
General Counsel.

[F.R. Doc. 60-7644; Filed, Aug. 12, 1960; 8:59 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Parts 40, 41, 42]

[Reg. Docket No. 475; Draft Release 60-14]

CROSSWIND AND TAILWIND TAKEOFF AND LANDING LIMITATIONS

Notice of Proposed Rule Making

Pursuant to the authority delegated to me by the Administrator (§ 405.27, 24 F.R. 2196), notice is hereby given that the Federal Aviation Agency has under consideration a proposal to amend Parts 40, 41, and 42 of the Civil Air Regulations as hereinafter set forth.

Interested persons may participate in the making of the proposed rules by submitting such written data, views, or arguments as they may desire. Communications should be submitted in duplicate to the Docket Section of the Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. All communications received by October 17, 1960 will be considered by the Administrator before taking action on the proposed rules. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination by interested persons in the Docket Section when the prescribed date for return of comments has expired.

Present Civil Air Regulations with respect to transport category airplanes do not require an air carrier to adhere to the maximum demonstrated crosswind and tailwind components as found in the Airplane Flight Manual as a limiting value for airplanes operated in air carrier service unless the demonstrated values are also included in the limitation section of the Airplane Flight Manual.

Except for turbine-powered airplanes, the maximum tailwind component for transport category airplanes is shown in the performance section of the Airplane Flight Manual. The operating rules of the Civil Air Regulations require compliance with the performance data for takeoff and for dispatching to destination, but there is no limitation on the maximum tailwind component for the actual landing at the destination airport. For turbine-powered airplanes, the maximum tailwind component for takeoff and landing is contained in the limitation section of the Airplane Flight Manual and must be complied with.

With respect to crosswind limitations for turbine-powered and other transport category airplanes, § 4b.173 of Part 4b of the Civil Air Regulations requires the establishment of a cross component of wind velocity at which the airplane has been demonstrated to be safe to take off or land. Unless a crosswind limitation has been placed on the airplane, the crosswind component may be established at a value which is consistent with the safe handling characteristics of the airplane. Although the component is specified in the Airplane Flight Manual as a "demonstrated crosswind", the air carrier operating rules do not limit airplane operations to this component.

Even though air carriers generally treat the demonstrated tailwind and crosswind components as limiting values for takeoffs and landings, there have been several instances where airplanes were landed with tailwinds or crosswinds in excess of such values.

In order to provide a safe and uniform standard, the Civil Air Regulations should clearly set forth a requirement that the maximum demonstrated crosswind and tailwind components established by the applicant will be a limiting factor in air carrier service. Therefore, it is proposed, for airplanes certificated under the transport category rules, to limit tailwind and crosswind takeoffs and landings to those approved values contained in the Airplane Flight Manual.

With respect to large non-transport-category airplanes, it is proposed to limit the maximum tailwind component and the maximum crosswind component to an approved value which is not marginal with the handling characteristics of the airplane. Unless a greater value has been demonstrated and approved, the maximum crosswind takeoff and landing component shall be 20 knots and the maximum tailwind takeoff and landing component shall be 10 knots.

In consideration of the foregoing, it is proposed to amend Parts 40, 41, and 42 of the Civil Air Regulations as follows:

1. By adding a new center heading and § 40.95 to read as follows:

WIND ACCOUNTABILITY

§ 40.95 Wind accountability.

No takeoff or landing shall be made if the reported wind velocity and direction results in a crosswind or tailwind component in excess of the maximum demonstrated crosswind and the maximum tailwind shown in the approved Airplane Flight Manual of the airplane; *Provided*, That for an airplane not having an approved Airplane Flight Manual the reported wind velocity shall not exceed a maximum of 20 knots crosswind and 10 knots tailwind unless greater values are demonstrated and approved for the particular type of airplane.

2. By adding a new § 41.37 to Part 41 and a new § 42.84 to Part 42 to read the same as the proposed § 40.95.

These amendments are proposed under the authority of sections 313(a), 601, 603, 604 of the Federal Aviation Act of 1958 (72 Stat. 752, 775, 776, 778; 49 U.S.C. 1354(a), 1421, 1423, 1424).

Issued in Washington, D.C., on August 9, 1960.

OSCAR BAKKE,
Director,
Bureau of Flight Standards.

[F.R. Doc. 60-7551; Filed, Aug. 12, 1960; 8:45 a.m.]

Notices

DEPARTMENT OF THE TREASURY

Bureau of Customs

[T.D. 55197]

FOREIGN CURRENCIES

Rates of Exchange for the Philippine Islands Peso

AUGUST 9, 1960.

Rates of exchange certified to the Secretary of the Treasury by the Federal Reserve Bank of New York for the Philippine Islands peso for the period between April 25, 1960, and June 10, 1960.

T.D. 55149 removed the Philippine Islands from the list of quarterly rate countries set forth at the end of paragraph (d) of § 16.4 of the Customs Regulations, effective on June 11, 1960, the date on which T.D. 55149 was published in the FEDERAL REGISTER (25 F.R. 5222).

That Treasury decision also announced that the Federal Reserve Bank of New York has decided not to resume on a daily basis the certification of rates for the Philippine Islands peso, which the Bank suspended effective April 25, 1960, but intends to comply as circumstances permit with requests for the appropriate rate or rates of exchange for the specific dates requested.

The Bank, complying with a request for rates of exchange for the period beginning April 25, 1960, and ending June 10, 1960, the day before the effective date of T.D. 55149, has certified two rates designated "Official" and "Free".

The respective rates so certified pursuant to section 522(c) of the Tariff Act of 1930, as amended (31 U.S.C. 372(c)), for each business day of the period beginning April 25, 1960, and ending June 10, 1960, are herewith published together with instructions for their use:

Philippine Islands peso:		
Apr. 25, 1960, to June 10, 1960	$0.498166	Official
	.312500	Free

The rate of $0.312500 Free varies by 5 per centum or more from the single rate of $0.49770 first certified by the Bank for a date in the calendar quarter April–June 1960, as published in T.D. 55092. The rate of $0.498166 Official on the other hand does not so vary from such published rate. The laws and regulations of the Philippine Islands applicable to the settlement of export receipts provide for the conversion of foreign exchange receipts on the basis of a composite of 75 percent of the export receipts at the Official rate and 25 percent at the Free market rate.

Consistent with these facts, conversions of the Philippine Islands peso for customs purposes in connection with exportations occurring during the period beginning April 25, 1960, and ending June 10, 1960, shall reflect the use in the manner explained below of the $0.49770 rate first certified in the quarter, to the extent of 75 percent of the price or value being converted, and the use in the manner indicated of the $0.312500 Free rate to the extent of 25 percent of such price or value.

To obtain the result intended by instructions included in § 16.4(e)(3) of the Customs Regulations dealing with the application of two or more types of certified rates on a percentage basis, customs officers are required to make conversions involving the Philippine Islands peso according to a formula consistent with that set out in Bureau of Customs Circular Letter No. 2675 of October 19, 1949. An appropriate formula is as follows:

$$\text{Dollar value of merchandise} = \frac{\text{Invoice value (in currency of Philippine Islands)}}{\left(\frac{1}{.49770} \times \frac{75}{\text{percent}}\right) + \frac{1}{.312500} \times \frac{25}{\text{percent}}}$$

[SEAL]

D. B. STRUBINGER,
Acting Commissioner of Customs.

[F.R. Doc. 60–7606; Filed, Aug. 12, 1960; 8:51 a.m.]

Office of the Secretary

[AA 643.3]

MALLEABLE IRON PIPE FITTINGS FROM JAPAN

Determination of No Sales at Less Than Fair Value

AUGUST 8, 1960.

A complaint was received that malleable iron pipe fittings from Japan were being sold in the United States at less than fair value within the meaning of the Antidumping Act of 1921.

I hereby determine that malleable iron pipe fittings from Japan are not being, nor likely to be, sold at less than fair value within the meaning of section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)).

Statement of reasons. It was determined that for fair value purposes, the comparison should be between the purchase price of the pipe fittings sold to the United States and the home market price at which similar pipe fittings are sold for home consumption in Japan.

In making the comparison, due allowance was made for differences in production, selling, and inland freight costs, which were higher in the case of the pipe fittings sold for home consumption than in the case of the pipe fittings sold for exportation to the United States. The allowance for selling costs was limited to pipe fittings imported prior to the effective date of the current Antidumping regulations, July 5, 1960. The difference in production costs was found to be due to the differences in the physical characteristics of the items compared and were allowed under the current regulations as a difference in the cost of manufacturing similar merchandise.

After making the required adjustments, it was found that purchase price was not lower than the home market price except in certain isolated instances. In these instances, there appeared to be a slight margin as to a relatively small proportion of the imported fittings. This was deemed to be not more than insignificant. Subsequently, the pricing arrangement which caused the occasional margin was changed by the sellers involved, which action eliminated all margins as to importations prior to July 5, 1960.

As to importations on and after July 5, 1960, it was found that with the disallowance of selling expenses, the purchase price was lower than the adjusted home market price by a slight margin as to one size of one item. The quantity and the amount involved were deemed to be not more than insignificant.

This determination and the statement of reasons therefor are published pursuant to section 201(c) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(c)).

[SEAL]

A. GILMORE FLUES,
Acting Secretary of the Treasury.

[F.R. Doc. 60–7611; Filed, Aug. 12, 1960; 8:52 a.m.]

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

SALES OF CERTAIN COMMODITIES

August 1960 Monthly Sales List; Amendment

The price listing for the Commodity Credit Corporation Monthly Sales List for August 1960 is amended, effective August 1, 1960, pursuant to the policy of Commodity Credit Corporation issued October 12, 1954 (19 F.R. 6669) by deleting the two paragraphs relating to milled rice under the heading "DOMESTIC—unrestricted use:" and the two paragraphs relating to rough rice under the heading "DOMESTIC—unrestricted use:" and by substituting the following:

Commodity	Sales price or method of sale
Rice, milled (as available)	Domestic, unrestricted use: Market price but not less than the equivalent final 1960 loan rate for rough rice by varieties and grades, plus 5 percent, adjusted for milling, plus 11 cents per hundredweight, basis in store.
Rice, rough (as available)	Domestic, unrestricted use: Market price but not less than the final applicable 1960 loan rate plus 5 percent, plus 13 cents per hundredweight, basis in store.

(sec. 4, 62 Stat. 1070, as amended; 15 U.S.C. 714b. Interpret or apply sec. 407, 63 Stat. 1055; 7 U.S.C. 1427, sec. 208, 63 Stat. 901)

Issued: August 9, 1960.

WALTER C. BERGER,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 60-7605; Filed, Aug. 12, 1960; 8:50 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. SA-355]

INVESTIGATION OF ACCIDENT OCCURRING IN ATLANTA, GA.

Notice of Hearing

In the matter of investigation of Accident involving aircraft of United States Registry N 8804E, which occurred on May 23, 1960, in Atlanta, Georgia.

Notice is hereby given that an Accident Investigation Hearing on the above-styled matter will be held commencing on August 30, 1960, at 0930 (local time) in the Henry Grady Hotel, Atlanta, Georgia.

Dated this 29th day of July 1960.

[SEAL] REID C. TAIT,
Hearing Officer.

[F.R. Doc. 60-7585; Filed, Aug. 12, 1960; 8:48 a.m.]

[Order No. E-15638; Docket 11696]

DELTA AIR LINES, INC., AND EASTERN AIR LINES, INC.; JET SURCHARGES

Order of Investigation and Suspension

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 10th day of August 1960.

On July 15, 1960, on behalf of Eastern Air Lines, Inc., and Delta Air Lines, Inc., certain revisions, to become effective on August 14, 1960, were filed to C. C. Squire, Agent, Local and Joint Passenger Fares Tariff No. PF-5, C.A.B. No. 44. On July 27, 1960, Eastern Air Lines, Inc., filed certain revisions, pursuant to special tariff permission, to become effective August 14, 1960, to its Local and Joint Passenger Fares Tariff, C.A.B. No. 62.[1] Included among these revisions are (1) a proposal by Delta to institute a surcharge of $2.00 per one-way ticket for its first-class service between Baltimore and Philadelphia on flights operating with Convair 880 or DC-8 equipment, and (2) a proposal by Eastern to institute surcharges between Boston and Philadelphia of $4.00 per one-way ticket for first-class service and $3.00 per one-way ticket for its coach service, on flights operating with DC-8 equipment. No complaints have been filed against these proposals. The Board has decided that it will institute an investigation of these proposed jet surcharges between Baltimore and Philadelphia and between Boston and Philadelphia.

Pending hearing and decision on the lawfulness of these proposed surcharges, the Board concludes it will suspend the operation of such tariffs and defer the use thereof in interstate and overseas air transportation. The proposed jet surcharges on the Baltimore-Philadelphia and Boston-Philadelphia segments are higher than the range of surcharges which the Board has heretofore permitted to become effective in other markets. The proposed $2.00 first-class surcharge by Delta between Baltimore and Philadelphia is 23.5 percent of the regular first-class fare in that market, and Eastern's proposed surcharges of $4.00 for first-class and $3.00 for coach services on the Boston-Philadelphia segment amount to approximately 18 percent of the respective fares for piston equipment in that market. In other markets, jet surcharges which the Board has permitted to become effective have ranged from 5.6 percent to 10.4 percent of regular first-class fares for first-class service and from 7.2 percent and 12.4 percent of regular coach fares for coach service; the yield per passenger mile for jet surcharges heretofore permitted to become effective has ranged between .4 and .7 cents, whereas the jet surcharge proposed for Delta in Baltimore-Philadelphia service would yield 2.2 cents per passenger mile and the jet surcharges proposed for Eastern between Boston and Philadelphia would yield 1.4 cents in first-class service and 1.1 cents in coach service. Even though the jet surcharges presently in effect tend to produce the higher yields on the shorter segments, the surcharges proposed for the Baltimore-Philadelphia and the Boston-Philadelphia markets present a market disparity from the pattern of the jet surcharges which has evolved in other markets. On the other hand, jet surcharges of $1.00 per one-way ticket in the Baltimore-Philadelphia market and of $2.00 per one-way ticket in the Boston-Philadelphia market appear to be within the pattern of jet surcharges existing in other markets and would not be suspended if proposed.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a), 404, and 1002 thereof; *It is ordered:*

1. That an investigation is instituted to determine whether the charges on 10th Revised Page 111 and 6th Revised Page 130-C of C. C. Squire, Agent, Local and Joint Passenger Fares Tariff No. PF-5, C.A.B. No. 44, together with subsequent revisions and reissues thereof, between Baltimore and Philadelphia and between Boston and Philadelphia, are, or will be, unjust or unreasonable, or unjustly discriminatory, or unduly preferential; or unduly prejudicial, and to determine and prescribe the charges thereafter to be demanded, charged, collected, or received in lieu of any charges found to be unlawful; and to determine whether the charges on 9th Revised Page 10-A of Eastern Air Lines, Inc., Local and Joint Passenger Fares Tariff, C.A.B. No. 62, together with subsequent revisions and reissues thereof, between Boston and Philadelphia are or will be unjust or unreasonable, or unjustly discriminatory, or unduly preferential, or unduly prejudicial, and to determine and prescribe the lawful charges thereafter to be demanded, charged, collected, or received in lieu of any charges found to be unlawful.

2. That, pending hearing and decision in such investigation, the charges on 10th Revised Page 111 and 6th Revised Page 130-C of C. C. Squire, Agent, Local and Joint Passenger Fares Tariff No. PF-5, C.A.B. No. 44, between Baltimore and Philadelphia and between Boston and Philadelphia, and the charges on 9th Revised Page 10-A of Eastern Air Lines, Inc., Local and Joint Passenger Fares Tariff, C.A.B. No. 62, between Boston and Philadelphia in overseas air transportation, are suspended and the use thereof deferred to and including November 11, 1960, and no changes shall be made therein during the period of suspension except by order or special tariff permission of the Board.

3. That this investigation be assigned for hearing before an Examiner of the Board at a time and place hereafter to be designated.

4. That copies of this order shall be filed with the tariffs suspended, and shall be served upon Delta Air Lines, Inc., and Eastern Air Lines, Inc., which are made parties to this proceeding.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] ROBERT C. LESTER,
Secretary.

[F.R. Doc. 60-7586; Filed, Aug. 12, 1960; 8:48 a.m.]

[1] This tariff contains fares between the United States, on the one hand, and Bermuda, Mexico City, and San Juan, on the other, and the surcharges in question apply when such travel is via Boston-Philadelphia.

CIVIL SERVICE COMMISSION

POSITIONS FOR WHICH THERE IS DETERMINED TO BE A MANPOWER SHORTAGE

Notice of Listing

Under the provisions of Public Law 86-587, the Civil Service Commission has determined that for the positions in the lists below there is a manpower shortage.

While the lists are arranged by occupational groups and series established under the Classification Act of 1949, as amended, comparable occupations not subject to the Classification Act are also included.

Any agency having positions in the occupations listed may pay travel and transportation costs of appointees to such positions in accordance with travel regulations issued by the Bureau of the Budget.

List A. Geographical coverage is nationwide—i.e., the fifty States and the District of Columbia.

Group or series code	Occupation
GS-015	Operations research.
GS-602	Medical officer.
GS-690	Industrial hygiene.
GS-800	All professional engineering series.
GS-1040	Architecture.
GS-1221	Patent advisor.
GS-1224	Patent examiner.
GS-1301	Physical science administration.
GS-1306	Health physics.
GS-1310	Physics.
GS-1313	Geophysics.
GS-1320	Chemistry.
GS-1321	Metallurgy.
GS-1330	Astronomy.
GS-1340	Meteorology.
GS-1350	Geology.
GS-1360	Oceanography.
GS-1372	Geodesy.
GS-1390	Technology (plastics, rubber, rubber and plastics, photographic equipment, packaging and preservation, industrial radiography, aviation survival equipment).
GS-1520	Mathematics.
GS-1530	Mathematical statistics.
GS-405	Pharmacology.
GS-1041	Landscape architecture.
GS-1510	Actuary.
GS-1390	Forest products technology.
GS-020	Urban planning.

List B. Limited geographical coverage.

Group or series code	Occupation or position	Geographical coverage
GS-020	Military installation Planner	District Public Works Office, Twelfth Naval District, San Bruno, Calif.
	Inhalation Therapist, GS-7	Walter Reed Army Medical Center, Washington, D.C.
GS-802	Engineering aid and technician	California.
GS-816	Cartographic drafting	Do.
GS-817	Surveying technician	Do.
GS-818	Engineering drafting	St. Paul-Minneapolis area and in States of California and Utah.
GS-856	Electronic Technician	States of California, Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Oregon, Washington, and Wyoming.
GS-1410-11	Technical librarian (administration-physical sciences and engineering) GS-11 (unique position).	U.S. Naval Ordnance Test Station, Pasadena Annex, Pasadena, Calif.
GS-1710	College instruction and administration (aerodynamics; chemistry; design; electrical engineering; engineering, general; mathematics; mechanics; metallurgy; physics; scientific and/or engineering).	Dayton, Ohio area.
	Faculty positions in engineering, physical science, and mathematics.	U.S. Naval Academy, Annapolis, Md., and Naval Postgraduate School, Monterey, Calif.
	Scientific director, U.S. Navy Medical Neuropsychiatric Research Unit, San Diego, Calif.	U.S. Navy Medical Neuro-psychiatric Research Unit, San Diego, Calif.
	Positions at grade GS-12 (or equivalent) and above which require services of an individual who qualifies as a physical, biological, or mathematical scientist.	National Science Foundation, Washington, D.C.
GS-1681	Aircraft pilot (flight test inspector)	Los Angeles, California, and Seattle, Wash., areas.
	Glass apparatus maker	Naval Ordnance Test Station, China Lake, Calif.
GS-610 & 615	Professional and public health nurse	Continental U.S. excluding Alaska.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 60-7573; Filed, Aug. 12, 1960; 8:47 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 13381, 13439; FCC 60M-1355]

AMERICAN TELEPHONE AND TELEGRAPH CO. ET AL.

Order Continuing Hearing

In the matter of American Telephone and Telegraph Company, Docket No. 13381; Regulations and charges for components of a distinctive tone and circuit assurance arrangement; American Telephone and Telegraph Company, et al., Docket No. 13439; Regulations and charges for certain equipment on an 82-B-1 type relay system for use in connection with private line, teletypewriter service.

The Hearing Examiner having under consideration a motion filed on August 3, 1960, by the Common Carrier Bureau, requesting that the prehearing conference presently scheduled for September 1, 1960, and the hearing presently scheduled for September 21, 1960 in the above-entitled proceeding, be continued indefinitely; and

It appearing that a "Motion to Dismiss the Proceeding", filed on July 12, 1960, by California Water and Telephone Company, will not be acted on by the Commission, due to the August recess, until at least early in September 1960, and, as a result, the parties hereto, in the event the Motion to Dismiss is denied, will not have sufficient time to exchange their direct cases prior to the hearings as now scheduled; and

It further appearing that counsel for all parties to the proceeding have stated they have no objection to the continuance requested;

It is ordered, This 8th day of August 1960, that the motion be and it is hereby granted; and the prehearing conference and hearing in the above-entitled proceeding, presently scheduled for September 1, 1960 and September 21, 1960, respectively, be and they are hereby continued, pending action by the Commission on the Motion to Dismiss referred to above, to a time to be specified in a subsequent order.

Released: August 8, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7587; Filed, Aug. 12, 1960; 8:48 a.m.]

[Docket No. 13484; FCC 60M-1364]

CANANDAIGUA BROADCASTING CO., INC.

Order Scheduling Hearing

In re application of Canandaigua Broadcasting Company, Inc., Canandaigua, New York, Docket No. 13484, File No. BP-13031; for construction permit.

The Hearing Examiner having under consideration the above-entitled proceeding;

It is ordered, This 8th day of August 1960, that hearing heretofore continued without date is now scheduled for September 12, 1960, at 9:00 a.m., at the Commission's offices in Washington, D.C.

Released: August 10, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7588; Filed, Aug. 12, 1960; 8:48 a.m.]

[Docket No. 13676 etc.; FCC 60M-1359]

CIRCLE L, INC., ET AL.

Order for Prehearing Conference

In re applications of Circle L, Inc., Reno, Nevada, Docket No. 13676, File No. BPCT-2656; Electron Corporation, tr/as Reno Telecasting Co., Reno, Nevada, Docket No. 13677, File No. BPCT-2662; Sierra Television Co., Reno, Nevada, Docket No. 13678, File No. BPCT-2698; Harriscope, Inc., Irving B. Harris, Donald P. Nathanson and Benjamin Berger, d/b as Rocky Mountain Tele Stations, Reno, Nevada, Docket No. 13679, File No. BPCT-2750; Nevada Broadcasters' Fund, Inc., Reno, Nevada, Docket No. 13680, File No. BPCT-2753; Comstock Telecasting Corporation, Reno, Nevada, Docket No. 13681, File No. BPCT-2754; for construction permits for new television broadcast stations (Channel 4).

A prehearing conference in the above-entitled proceeding will be held on Monday, September 19, 1960, beginning at 10:00 a.m. in the offices of the Commission, Washington, D.C. This conference is called pursuant to the provisions of § 1.111 of the Commission's rules and the matters to be considered are those specified in that section of the rules.

Released: August 9, 1960.

It is so ordered, This the 8th day of August 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7589; Filed, Aug. 12, 1960; 8:48 a.m.]

[Docket No. 13758]

BERT CUBBEDGE

Order To Show Cause

In the matter of Bert Cubbedge, Edgewater, Florida, Docket No. 13758, order

to show cause why there should not be revoked the license for radio station WH–5889 aboard the vessel "Lou."

There being under consideration the matter of certain alleged violations of the Commission's rules in connection with the operation of the above-captioned station;

It appearing that pursuant to § 1.61 of the Commission's rules, written notice of violation of the Commission's rules was served upon the above-named licensee as follows:

Official Notices of Violation were mailed to the licensee on December 7, 1959, and April 14, 1960. Both of these notices alleged that on December 5, 1959, the licensee had violated § 8.156 of the Commission's rules in that he did not have an operator's license available for inspection.

It further appearing that the above-named licensee received said Official notices but did not make satisfactory reply thereto, whereupon the Commission, by letters dated January 7, and May 19, 1960, and sent by Certified Mail—Return Receipt Requested (Nos. 877816 and 877855, respectively) brought this matter to the attention of the licensee and requested that such licensee respond to the Commission's letters within fifteen days from the date of its receipt stating the measures which had been taken, or were being taken, in order to bring the operation of the radio station into compliance with the Commission's rules, and warning the licensee that his failure to respond to such letters might result in the institution of proceedings for the revocation of the radio station license; and

It further appearing that receipt of the Commission's letters were acknowledged by the signature of the licensee's agent, Mrs. Bert Cubbedge, on Jan. 9, 1960 & May 21, 1960, respectively, to Post Office Department return receipts; and

It further appearing that although more than fifteen days have elapsed since the licensee's receipt of the Commission's letters, no response was made thereto; and

It further appearing that in view of the foregoing, the licensee has repeatedly violated §.1.61 of the Commission's rules;

It is ordered, This 8th day of August 1960, pursuant to section 312 (a) (4) and (c) of the Communications Act of 1934, as amended, and section 0.291(b) (8) of the Commission's Statement of Delegations of Authority, that the said licensee show cause why the license for the above-captioned Radio Station should not be revoked, and appear and give evidence in respect thereto at a hearing[1] to be held at a time and place to be specified by subsequent order; and

It is further ordered, That the Secretary send a copy of this Order by Certified Mail—Return Receipt Requested to the said licensee.

Released: August 9, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60–7590; Filed, Aug. 12, 1960; 8:48 a.m.]

[1] Section 1.62 of the Commission's rules provides that a licensee, in order to avail himself of the opportunity to be heard, shall, in person or by his attorney, file with the Commission, within thirty days of the receipt of the order to show cause, a written statement stating that he will appear at the hearing and present evidence on the matter specified in the order. In the event it would not be possible for respondent to appear for hearing in the proceeding if scheduled to be held in Washington, D.C., he should advise the Commission of the reasons for such inability within five days of the receipt of this Order. If the licensee fails to file an appearance within the time specified, the right to a hearing shall be deemed to have been waived. Where a hearing is waived, a written statement in mitigation or justification may be submitted within thirty days of the receipt of the order to show cause. If such statement contains, with particularity, factual allegations denying or justifying the facts upon which the show cause order is based, the Hearing Examiner may call upon the submitting party to furnish additional information, and shall request all opposing parties to file an answer to the written statement and/or additional information. The record will then be closed and an initial decision issued on the basis of such procedure. Where a hearing is waived and no written statement has been filed within the thirty days of the receipt of the order to show cause, the allegations of fact contained in the order to show cause will be deemed as correct and the sanctions specified in the order to show cause will be invoked.

[Docket No. 13540 etc.; FCC 60M–1358]

MACON BROADCASTING CO. (WNEX) ET AL.

Order Scheduling Prehearing Conference

In re applications of Macon Broadcasting Company (WNEX), Macon, Georgia, Docket No. 13540, File No. BP–12261; Johnston Broadcasting Company (WJLD) (George Johnston, Jr., and Rose Hood Johnston, Partners), Homewood, Alabama, Docket No. 13541, File No. BP–12559; E. H. Eiland, Jr., Union Springs, Alabama, Docket No. 13542, File No. BP–12776; Yetta G. Samford, C. S. Shealy, and Aileen M. Samford, Executrix of the Estate of Thomas D. Samford, Jr., Deceased, Miles H. Ferguson and John E. Smollon, d/b as Opelika-Auburn Broadcasting Company (WJHO), Opelika, Alabama, Docket No. 13543, File No. BP–12911; John F. Pidcock and Roy F. Zess, d/b as Radio Station WMGA (WMGA), Moultrie, Georgia, Docket No. 13544, File No. BP–12998; Newnan Broadcasting Company (WCOH), Newnan, Georgia, Docket No. 13545, File No. BP–13133; Elberton Broadcasting Company (WSGC), Elberton, Georgia, Docket No. 13546, File No. BP–13405; for construction permits.

The Hearing Examiner having under consideration the above-entitled proceeding;

It is ordered, This 8th day of August 1960, that all parties, or their attorneys, who desire to participate in the proceeding, are directed to appear for a prehearing conference, pursuant to the provisions of § 1.111 of the Commission's rules, at the Commission's offices in Washington, D.C., at 10:00 a.m., September 15, 1960, and the hearing heretofore scheduled for that date is continued to a date to be fixed at the prehearing conference.

Released: August 9, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60–7591; Filed, Aug. 12, 1960; 8:48 a.m.]

[Docket No. 13222 etc.; FCC 60M–1373]

MICHIGAN BROADCASTING CO. (WBCK) ET AL.

Order Scheduling Prehearing Conference

In re applications of Michigan Broadcasting Company (WBCK), Battle Creek, Michigan, Docket No. 13222, File No. BP–11439; F. E. Lackey, Pierce E. Lackey and William Ellis Wilson, d/b as Richmond Broadcasting Company, Centerville, Indiana, Docket No. 13223, File No. BP–11625; Charles H. Chamberlain, Urbana, Ohio, Docket No. 13224, File No. BP–11736; Mt. Vernon Radio and Television Company (WMIX), Mt. Vernon, Illinois, Docket No. 13226, File No. BP–11829; M. M. Lawrence and Ruel O. Thomas, d/b as Lake Cumberland Broadcasting Company, Jamestown, Kentucky, Docket No. 13228, File No. BP–12213; Sam Kamin and James A. Howenstine, d/b as Citizens Broadcasting Company, Lima, Ohio, Docket No. 13230, File No. BP–12319; Virginia-Kentucky Broadcasting Company, Incorporated (WNRG), Grundy, Virginia, Docket No. 13231, File No. BP–12326; J. B. Crawley, R. L. Turner, W. B. Kelly and Dean Harden, d/b as Shelby Broadcasting Company, Shelbyville, Kentucky, Docket No. 13232, File No. BP–12352; Richard M. Pomeroy and Bessie M. Pomeroy, d/b as Radio 940, South Haven, Michigan, Docket No. 13233, File No. BP–12373; Robin H. Mathis, Ralph C. Mathis, Rad W. Mathis and John B. Skelton, Jr., d/b as WCPC Broadcasting Company (WCPC), Houston, Mississippi, Docket No. 13235, File No. BP–12420; W.L.K.Y., Inc., Lexington, Kentucky, Docket No. 13237, File No. BP–12498; Miami Valley Christian Broadcasting Association, Incorporated, Miamisburg, Ohio, Docket No. 13239, File No. BP–12640; Charles F. Trivette and Herman G. Dotson, d/b as Western Ohio Broadcasting Co., Delphos, Ohio, Docket No. 13241, File No. BP–12779; Raymond I. Kandel and Gus Zaharis, Zanesville, Ohio, Docket No. 13242, File No. BP–12812; Continental Broadcasting Company, Cincinnati, Ohio, Docket No. 13246, File No. BP–13088; Clarence C. Moore, tr/as Fort Wayne Broadcasting Company, Fort Wayne, Indiana, Docket No. 13249, File No. BP–13120; Muskingum Broadcasting Company, Zanesville, Ohio, Docket No. 13654, File No. BP–13157; for construction permits.

The Hearing Examiner having under consideration the procedure for the

further hearing in the above-styled proceeding; and

It appearing that the hearing involving Group 2 in this proceeding had heretofore been continued pending designation by the Commission of the application of Muskingum Broadcasting Company, File No. BP-13157, Docket No. 13654, for hearing in this consolidated proceeding; and

It further appearing that the Commission, on July 7, 1960, made such designation;

It is ordered, This 9th day of August 1960, that a further hearing conference for Group 2 of the above-entitled proceeding will be held in the offices of the Commission at 9 a.m., on September 2, 1960, for the purpose of fixing a new schedule of hearing dates and to consider such other matters as may seem appropriate.

Released: August 10, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7592; Filed, Aug. 12, 1960; 8:48 a.m.]

[Docket No. 13757]

DON G. MORRISON

Order To Show Cause

In the matter of Don G. Morrison, 3309 Robbin Hood, Texarkana, Texas, Docket No. 13757, order to show cause why there should not be revoked the license for Citizens Radio Station 8W1013.

There being under consideration the matter of certain alleged violations of the Commission's rules in connection with the operation of the above-captioned station;

It appearing that pursuant to § 1.61 of the Commission's rules, written notice of violation of the Commission's rules was served upon the above-named licensee as follows:

Official Notice of Violation was mailed to the above-named licensee on April 7, 1960, alleging that on March 30, 1960, the above-captioned radio station was found to be in violation of § 19.61(g) of the Commission's rules by failing to address its radio communications to a specific person or station.

It further appearing that the above-named licensee received said official notice but did not make satisfactory reply thereto, whereupon the Commission, by letter dated May 27, 1960, and sent by Certified Mail—Return Receipt Requested (No. 125231), brought this matter to the attention of the licensee and requested that such licensee respond to the Commission's letter within fifteen days from the date of its receipt stating the measures which had been taken, or were being taken, in order to bring the operation of the radio station into compliance with the Commission's rules, and warning the licensee that his failure to respond to such letter might result in the institution of proceedings for the revocation of the radio station license; and

It further appearing that receipt of the Commission's letter was acknowledged by the signature of the licensee's agent, Donna Morrison on May 31, 1960, to a Post Office Department return receipt; and

It further appearing that although more than fifteen days have elapsed since the licensee's receipt of the Commission's letter, no response was made thereto; and

It further appearing that in view of the foregoing, the licensee has repeatedly violated § 1.61 of the Commission's rules;

It is ordered, This 5th day of August 1960, pursuant to section 312(a)(4) and (c) of the Communications Act of 1934, as amended, and section 0.291(b)(8) of the Commission's Statement of Delegations of Authority, that the said licensee show cause why the license for the above-captioned Radio Station should not be revoked, and appear and give evidence in respect thereto at a hearing[1] to be held at a time and place to be specified by subsequent order; and

It is further ordered, That the Secretary send a copy of this order by Certified Mail—Return Receipt Requested to the said licensee.

Released: August 8, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7593; Filed, Aug. 12, 1960; 8:48 a.m.]

[Docket No. 13660 etc.; FCC 60M-1353]

NORTH GEORGIA RADIO, INC. (WBLJ) ET AL.

Notice of Conference

In re applications of North Georgia Radio, Inc. (WBLJ), Dalton, Georgia, Docket No. 13660, File No. BP-12590; Woofum, Inc. (WFOM), Marietta, Georgia, Docket No. 13661, File No. BP-12617; Regional Broadcasting Corporation (WMMT), McMinnville, Tennessee, Docket No. 13662, File No. BP-13404; for construction permits.

Notice is hereby given that a prehearing conference in the above-entitled proceeding will be held at 3:00 p.m. on Monday, September 19, 1960, in Washington, D.C.

Dated: August 8, 1960.

Released: August 8, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7594; Filed, Aug. 12, 1960; 8:49 a.m.]

[1] Section 1.62 of the Commission's rules provides that a licensee, in order to avail himself of the opportunity to be heard, shall, in person or by his attorney, file with the Commission, within thirty days of the receipt of the order to show cause, a written statement stating that he will appear at the hearing and present evidence on the matter specified in the order. In the event it would not be possible for respondent to appear for hearing in the proceeding if scheduled to be held in Washington, D.C., he should advise the Commission of the reasons for such inability within five days of the receipt of this Order. If the licensee fails to file an appearance within the time specified, the right to a hearing shall be deemed to have been waived. Where a hearing is waived, a written statement in mitigation or justification may be submitted within thirty days of receipt of the order to show cause. If such statement contains, with particularity, factual allegations denying or justifying the facts upon which the show cause order is based, the Hearing Examiner may call upon the submitting party to furnish additional information, and shall request all opposing parties to file an answer to the written statement and/or additional information. The record will then be closed and an initial decision issued on the basis of such procedure. Where a hearing is waived and no written statement has been filed within the thirty days of the receipt of the order to show cause, the allegations of fact contained in the order to show cause will be deemed as correct and the sanctions specified in the order to show cause will be invoked.

[Docket No. 13579 etc.; FCC 60-997]

CHARLES P. B. PINSON, INC.

Order Continuing Hearing

In re applications of Charles P. B. Pinson, Inc., Docket No. 13579, File No. 683-C2-P-59; for a construction permit to change location and change antenna at existing licensed two-way station KIG289 in the Domestic Public Land Mobile Radio Service at St. Petersburg, Florida; Docket No. 13580, File No. 684-C2-P-59; for a construction permit to change location and change antenna at existing licensed one-way station KIG843 in the Domestic Public Land Mobile Radio Service at St. Petersburg, Florida; Docket No. 13581, File No. 785-C2-P-59; for a construction permit to establish a new one-way signaling facility in the Domestic Public Land Mobile Radio Service at Clearwater, Florida; Docket No. 13582, File No. 263-C2-MP-60; for a modification of construction permit to extend date of required completion of construction and change control point for station KIN652 in the Domestic Public Land Mobile Radio Service at Jacksonville, Florida; Docket No. 13583, File No. 207-C2-R-60; for renewal of the license for station KIB386 in the Domestic Public Land Mobile Radio Service at Tampa, Florida; Docket No. 13584, File No. 1069-C2-R-60; for renewal of the license for station KIG289 in the Domestic Public Land Mobile Radio Service at St. Petersburg, Florida; Docket No. 13585, File No. 1380-C2-R-60; for renewal of the license for station KIG843 in the Domestic Public Land Mobile Radio Service at St. Petersburg, Florida.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 8th day of August 1960;

The Commission having under consideration the matters of record in the above-entitled proceeding; and

It appearing that hearing in the proceeding is scheduled to commence on September 12, 1960;

It further appearing that a Motion to Deny, in Part, and Strike, in Part, Portions of a Document Purporting to be a Notice of Appearance filed by the Com-

mon Carrier Bureau on July 8, 1960; and a Motion to Strike Notice of Appearance filed by Alan H. Rosenson, d/b/a All-Florida Communications Company on July 12, 1960, await the action of the Commission en banc, which pleadings should, in the interest of orderly procedure, be ruled on prior to the commencement of the proceeding;

It further appearing that it is improbable that the Commission en banc will have an opportunity to rule on the said interlocutory pleadings prior to September 12, 1960;

It is ordered, On the motion of the Commission, that the hearing now scheduled to commence on September 12, 1960, is continued to a date to be set by the Hearing Examiner subsequent to the disposal by the Commission en banc of the above-referenced interlocutory pleadings.

Released: August 9, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7595; Filed, Aug. 12, 1960; 8:49 a.m.]

[Docket Nos. 13318, 13319; FCC 60M-1374]

UNITED ELECTRONICS LABORATORIES, INC., AND KENTUCKIANA TELEVISION, INC.

Order Scheduling Hearing

In re applications of United Electronics Laboratories, Inc., Louisville, Kentucky, Docket No. 13318, File No. BPCT-2640; Kentuckiana Television, Incorporated, Louisville, Kentucky, Docket No. 13319, File No. BPCT-2652; for construction permits for new television broadcast stations (Channel 51).

The Hearing Examiner having under consideration the above-entitled proceeding;

It is ordered, This 9th day of August 1960, that the hearing herein, which was continued without date by order of July 12, 1960, is rescheduled for September 2, 1960, at 10:00 a.m.

Released: August 10, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7596; Filed, Aug. 12, 1960; 8:49 a.m.]

[Docket No. 13630; FCC 60M-1360]

UNIVERSAL COMMUNICATIONS CO.

Order for Prehearing Conference

In re application of Cecil M. Fox, d/b as Universal Communications Company, Docket No. 13630, File No. 3532-C2-R-60; for renewal of the license for Station KQA342, a two-way facility in the Domestic Public Land Mobile Radio Service at Toledo, Ohio.

A prehearing conference in the above-entitled proceeding will be held on Wednesday, September 14, 1960, beginning at 10:00 a.m. in the offices of the Commission, Washington, D.C. This conference is called pursuant to the provisions of § 1.111 of the Commission's rules and the matters to be considered are those specified in that section of the rules.

It is so ordered, This the 8th day of August 1960.

Released: August 9, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7597; Filed, Aug. 12, 1960; 8:49 a.m.]

[Docket No. 13691; FCC 60M-1368]

THEODORE R. WELCH

Order Scheduling Hearing

In the matter of Theodore R. Welch, Spokane, Washington, Docket No. 13691, order to show cause why there should not be revoked the license for Citizens Radio Station 14W0184.

It is ordered, This 9th day of August 1960, that Forest L. McClenning will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on October 26, 1960, in Washington, D.C.

Released: August 10, 1960.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7598; Filed, Aug. 12, 1960; 8:49 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 364]

MOTOR CARRIER TRANSFER PROCEEDINGS

AUGUST 10, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 63457. By order of August 8, 1960, The Transfer Board approved the transfer to Syracuse Transfer, Inc., Mattydale, New York, of a certificate in No. MC 113881 Sub 1, issued March 1, 1960, to Edward A. DeBoer, Sr., doing business as DeBoer's Syracuse Transfer-Storage Co., Syracuse, New York, which authorizes the transportation of new furniture, uncrated, over irregular routes, from Syracuse and Fayetteville, N.Y., to New York, N.Y., New Haven, Conn., Boston and Springfield, Mass., Newark, Teaneck, and Rutherford, N.J., Philadelphia, Pittsburgh, Reading, Jacobus, Carlisle, Easterly, and Sunbury, Pa., Baltimore, Md., and Washington, D.C. Herbert M. Canter, Weiler Building, 407 South Warren Street, Syracuse 2, N.Y., for applicants.

No. MC-FC 63460. By order of August 8, 1960, The Transfer Board approved the transfer to Joseph E. Shaver, doing business as Joe Shaver Transfer, 134 Lake Avenue, Salem, Virginia, of a Certificate in No. MC 74741, issued April 8, 1960, to Arnold's Transfer and Storage Co., Inc., 3218 Salem Turnpike NW., P.O. Box 6098, Roanoke, Virginia, which authorizes the transportation of household goods, as defined by the Commission, office furniture and equipment, and store fixtures, between Roanoke, Va., and points within 10 miles of Roanoke, on the one hand, and, on the other, points in North Carolina and West Virginia.

No. MC-FC 63468. By order of August 8, 1960, The Transfer Board approved the transfer to Charles H. McCreary, Inc., Newark, Ohio, of Certificate in No. MC 111851 Sub 1, issued September 19, 1958, to Charles H. McCreary, 605 Garfield Ave., Newark, Ohio, authorizing the transportation of: Commodities in bulk (other than liquids and except fly ash) in vehicles especially designed for the transportation of dry bulk commodities, and in bulk shipping containers which require the use of special equipment for loading and unloading, and returned empty containers used in the transportation of such commodities, between points in various counties in Ohio on the one hand, and, on the other, points in West Virginia, Pennsylvania, Kentucky, Indiana, and Michigan, subject to certain restrictions; limestone and limestone products from points in Wyandot County, Ohio, to points in Indiana, and West Virginia, and empty containers used in the transportation of the commodities specified immediately above, and dry bulk commodities used in the production of limestone products, from points in Indiana and West Virginia, to points in Wyandot County, Ohio.

No. MC-FC 63471. By order of August 8, 1960, The Transfer Board approved the transfer to TL, Inc., Staunton, Ill., of a Certificate in No. MC 33670, issued February 1, 1950, to Charles Holeschek, doing business as Staunton Transfer, Staunton, Ill., which authorizes the transportation, over regular routes, of calves, poultry, machinery and machinery parts, between Mt. Olive, Ill., and St. Louis, Mo., general commodities, excluding household goods and other specified commodities, from St. Louis, Mo., to Mt. Olive, Ill., and between Livingston, Ill., and St. Louis, Mo., and over irregular routes, livestock and agricultural commodities, from points in Macoupin County, Ill., and those in Madision County, Ill., on U.S. Highway 66 and Illinois Highway 112 to St. Louis, Mo., and general commodities, excluding household goods, commodities in bulk, and other specified commodities, from St. Louis, Mo., to points in Macoupin

County, Ill., and those in Madision County, Ill., on U.S. Highway 66 and Illinois Highway 112. Thomas A. Graham, 10 S. LaSalle Street, Chicago 3, Ill., for applicants.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 60-7580; Filed, Aug. 12, 1960; 8:47 a.m.]

[Rev. S.O. 562, Taylor's I.C.C. Order 121-A]

LONG ISLAND RAIL ROAD CO.

Rerouting or Diversion of Traffic

Upon further consideration of Taylor's I.C.C. Order No. 121 (The Long Island Rail Road Company) and good cause appearing therefor: *It is ordered,* That:

(a) Taylor's I.C.C. Order No. 121, be, and it is hereby vacated and set aside.

(b) Effective date: This order shall become effective at 10:00 a.m., August 5, 1960.

It is further ordered, That this order shall be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and per diem agreement under the terms of that agreement and by filing it with the Director, Office of the Federal Register.

Issued at Washington, D.C., August 5, 1960.

INTERSTATE COMMERCE COMMISSION,
CHARLES W. TAYLOR, *Agent.*

[F.R. Doc. 60-7581; Filed, Aug. 12, 1960; 8:47 a.m.]

FEDERAL POWER COMMISSION

[Docket No. G-20032 etc.]

BEN BOLT GATHERING CO. ET AL.

Notice of Applications, Consolidation, and Date of Hearing

AUGUST 10, 1960.

In the matter of Ben Bolt Gathering Company, Docket No. G-20032; Associated Oil & Gas Co., et al., Docket No. G-20058; Carrl Oil, Operator, Docket No. G-20331; East White Point Gathering Company, Docket No. G-20355; Engeo Gathering Company, Docket No. G-20356; Engeo Oil & Gas Company, Operator, Docket No. G-20357; Burdette Graham, Operator, Docket No. G-20360.

Take notice that applications for certificates of public convenience and necessity have been filed in the above-captioned proceedings, pursuant to section 7(c) of the Natural Gas Act, authorizing the respective applicants therein to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the applications which are on file with the Commission and open for public inspection.

Each of said applicants proposes to sell natural gas in interstate commerce for resale. Basic information concerning these applications and proposals is tabulated below.

Docket No.	Dates filed	Applicant and address	Source of gas	Purchaser	See below [1]
G-20360	12-11-59	Burdette Graham, Operator, 804 Driscoll Building, Corpus Christi, Tex.	Midway Field Area, San Patricio County, Tex.	East White Point Gathering Co.	8.5 cents, No. 3.
G-20355	12-10-59	East White Point Gathering Co.[3], 1801 Driscoll Building, Corpus Christi, Tex.	do (G-20360).	Ben Bolt Gathering Co.[3]	13.0 cents, No. 1.
G-20357	12-11-59	Engeo Oil & Gas Co., Operator,[4] 1801 Driscoll Building, Corpus Christi, Tex.	Midway Field Area, San Patricio County, Tex.	Engeo Gathering Co.[5]	9.0 cents, No. 3.
G-20356	12-10-59	Engeo Gathering Co., 1801 Driscoll Building, Corpus Christi, Tex.	do (G-20357).	Ben Bolt Gathering Co.[3]	13:0 cents, No. 1.
G-20058	11- 4-59	Associated Oil & Gas Co., et al,[6] 1410 Bank of the Southwest Building, Houston, Tex.	Various units leases and acreage, Jim Wells, Duval, and Nueces Counties, Tex.	do	16.0 cents, No. 7.
G-20331	12- 8-59	Carrl Oil, et al., P.O. Box 576, Corpus Christi, Tex.	Papalote Field, Bee County, Tex.	do[3]	15.0 cents, No. 3.
G-20032	10-30-59 12-21-59	Ben Bolt Gathering Co.[3], P.O. Box 458, Corpus Christi, Tex.	(G-20355) (G-20356). (G-20058). (G-20331).	Peoples Gulf Coast Natural Gas Pipeline Co.[7]	20.0 cents, No. 1.

[1] Base initial price in cents per Mcf and FPC gas rate schedule number.

[2] A partnership composed of S. A. Story, Jr., and Homer C. Easterwood.

[3] A Texas corporation, as assignee of Coastal States Gas Producing Co., under instrument of assignment executed Oct. 29, 1959.

[4] Application filed by S. A. Story, Jr., President.

[5] A partnership composed of John D. Cummins, Murphy L. Walker, and S. A. Story, Jr., as assignee of Coastal States Gas Producing Co., under instrument of assignment executed Oct. 29, 1959.

[6] A joint application on behalf of all signatory and non-signatory coowners filed by Associated Oil & Gas Co., Investors Syndicate of the Southwest, Inc., Gulf States Development Corp., H. J. Mosser, and Bank of the Southwest National Association, Houston, Trustee, each as an operator of different properties, and L. M. Fischer as a signatory coowner of certain other properties operated by Mosser-Fischer Gasoline Co., a non-signatory coowner.

[7] Successor in interest to Texas Illinois Natural Gas Pipeline Co. pursuant to order issued in Docket No. G-19963 on Dec. 8, 1959.

Each of the applicants also seeks authorization to construct and operate facilities.

In Docket No. G-20355, East White proposes to construct and operate, inter alia, approximately ½ mile of 2- and 3-inch line together with wellhead meters and, at the point of delivery to Ben Bolt, a two stage 250 H.P. Compressor and separator. These facilities will be used for the purpose of enabling East White to transport gas purchased at up to 600 lbs. psig.[1] from Graham (G-20360) at or near the wellhead to the point of delivery[2] to Ben Bolt at up to 1,000 lbs. psig.

In Docket No. G-20356, Engeo Gathering proposes to construct and operate, inter alia, approximately 1.8 miles of 2½-inch line, 1.7 miles of 3-inch line, and 1.5 miles of 4½-inch line together with wellhead meters and, at the point of delivery to Ben Bolt, a two stage 450 H.P. Compressor and separator. These facilities will be used for the purpose of enabling Engeo Gathering to transport gas purchased at up to some as yet unspecified[3] pressure from Engeo Oil & Gas (G-20357) at or near the wellhead to the point of delivery[2] to Ben Bolt at up to 1,000 lbs. psig.

As a part of its application in Docket No. G-20032, Ben Bolt proposes to construct and operate, inter alia, approximately 27 miles of 8-inch line extending in a northwesterly direction from points of connection with the proposed facilities of East White (G-20355) and Engeo Gathering (G-20356) at their proposed points of delivery to Ben Bolt in San Patricio County, Texas, as aforesaid, to a point of interconnection with Peoples Gulf Coast Natural Gas Pipeline Company's existing 26-inch line located in said San Patricio County. These facilities will be used for the purpose of enabling Ben Bolt to transport gas purchased by it from East White and Engeo Gathering for resale and delivery to Peoples. Ben Bolt also proposes to construct and operate, inter alia, apparently as an extension of its aforesaid line, approximately 11 miles of line extending northwesterly from the aforesaid point of interconnection of its proposed facilities with those of People's to a central point in the Papalote Field, Bee County, Texas. These facilities will be used for the purpose of enabling Ben Bolt to transport gas purchased by it from Carrl Oil (G-20331) in said field for resale and delivery to Peoples.

In Docket No. G-20058, Associated Oil and Gas proposes to construct and operate, inter alia, approximately 15.6 miles of 4, 6 and 8-inch line. These facilities will be used for the purpose of enabling Associated Oil & Gas to transport gas produced by it from various dedicated leases located in Duval and Jim Wells Counties, Texas, to a point of connection with the western terminus of one of Ben Bolt's proposed lines. As the remaining part of its application in Docket No. G-20032, Ben Bolt proposes to construct and operate approximately 38 miles of 8

[1] Pressure provision waived with respect to gas produced from one of the three dedicated leases, viz. the Champlin lease, and to become effective with respect to that lease upon cessation of sale and delivery of gas by Graham from the Champlin lease to Coastal States Gas Producing Company under contract dated December 1, 1956, as amended July 17, 1957.

[2] The point of delivery to Ben Bolt by East White in Docket No. G-20355 is approximately 0.4 mile south of the point of delivery to Ben Bolt by Engeo Gathering in Docket No. G-20356.

[3] See blank space on page 8 of Engeo Oil & Gas Co's. FPC Gas Rate Schedule No. 3. The Engeo Oil & Gas Co. contract, supplying gas to Engeo Gathering, contains an option permitting Engeo Gathering to charge Engeo Oil & Gas Co. 1.5 cents per Mcf for all gas compressed or taken into a lower pressure system by Engeo Gathering in the event the natural wellhead pressure of any of Engeo Oil & Gas Co's. wells is below the aforesaid unspecified pressure.

and 10-inch line extending in an easterly direction from the aforesaid point of connection with Associated Oil & Gas Co's. proposed facilities to the South-Tex Corporation's Gasoline Plant, located in Agua Dulce Field, Nueces County, Texas, and thence about 1,000 yards to a point of interconnection with Peoples Gulf Coast Natural Gas Pipeline Company's existing 26-inch line located in said Nueces County. These facilities will be used for the purpose of enabling Ben Bolt to transport gas purchased and received at up to 1,000 lbs. psig from Associated Oil & Gas Company at the aforesaid point of delivery in Jim Wells County to South-Tex at not less than 800 lbs. psig for processing and thence to Peoples at up to 900 lbs. psig. Ben Bolt also proposes to operate South-Tex Corporation's existing 5.6 miles of 4-inch line extending northerly from a point of connection with the aforesaid proposed line of Ben Bolt at the outlet side of the aforesaid gasoline plant to a point north of Banquete. These facilities will be used for the purpose of enabling Ben Bolt to transport into its proposed line connecting with People's line, as aforesaid, compressed gas proposed to be sold by Associated Oil & Gas Company to Ben Bolt from production of the Bennett Unit #1 consisting of various leases situated in or adjoining the original Townsite of Banquete, Nueces County, Texas.

Except to the limited extent that the facilities proposed to be operated or constructed and operated may be fully and accurately indicated in whole or in part on certain exhibits, viz, small scale maps, to the applications, no description of these facilities is contained in the applications. The applications do not contain any estimates of the costs of construction with respect to the proposed facilities or indicate how such costs are to be financed. No information has been supplied with respect to any arrangements made or to be made with South-Tex Corporation. No data has been submitted reflecting revenues, operating expenses, debt service, net income and rate of return. Estimates of the volume of reserves to be attached have not been supplied. The discrepancy between the daily contract quantity of gas (10,000 Mcf) to be supplied by Ben Bolt to Peoples and the total daily contract quantity to be sold to Ben Bolt by the other applicants (24,000 Mcf) according to the estimated first month billing statements has not been explained. No data has been submitted in support of the various prices at which the gas is proposed to be sold particularly as proposed by Ben Bolt. Nor has any data been submitted in support of the various differentials in the prices at which the gas is to be purchased and sold as proposed by East White, Engeo Gathering and Ben Bolt, respectively. Among other questions, those of price, affiliation, and feasibility are raised by the instant applications.

These related matters should be heard on a consolidated record and disposed of under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 27, 1960, at 10:00 a.m., e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such applications.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 29, 1960.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-7583; Filed, Aug. 12, 1960; 8:48 a.m.]

[Docket No. CP61-3]

ARKANSAS LOUISIANA GAS CO.

Notice of Application and Date of Hearing

AUGUST 5, 1960.

Take notice that on July 5, 1960, as supplemented on July 13, 1960, Consolidated Gas Utilities Corporation (now Arkansas Louisiana Gas Company)[1] (Applicant) filed in Docket No. CP61-3 an application pursuant to section 7(b) of the Natural Gas Act for permission and approval to abandon two portable 225 horsepower compressor units and appurtanences, one located at Applicant's Pitsch Compressor Station and one located at Applicant's Twitty Compressor Station, both of which stations are in the Panhandle area of Wheeler County, Texas, all as more fully set forth in the application and supplement which are on file with the Commission and open to public inspection.

Applicant states that recent declines and anticipated further rapid declines in deliveries of natural gas from the Texas Panhandle Field make the two compressor units at these stations unnecessary. The horsepower capacity at Pitch would be reduced from 2, 175 to 1,950, and said capacity at Twitty would be reduced from 2,050 to 1,825.

Applicant further states that the subject compressor units are urgently needed on its intrastate system in Caddo County, Oklahoma, because of declining field pressures in that area, and it is proposed to move them to that location.

It is stated that the removal of these two compressor facilities from their present locations will not deprive any customer of service.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 6, 1960, at 9:30 a.m., e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 26, 1960. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

MICHAEL J. FARRELL,
Acting Secretary.

[F.R. Doc. 60-7559; Filed, Aug. 12, 1960; 8:45 a.m.]

[1] Arkansas Louisiana Gas Company was authorized to acquire and operate all of the facilities of Consolidated Gas Utilities Corporation by Commission order issued July 27, 1960.

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-4015]

CONSOLIDATED DEVELOPMENT CORP.

Order Summarily Suspending Trading

AUGUST 9, 1960.

The common stock, par value 20 cents per share of Consolidated Development Corporation (formerly known as Consolidated Cuban Petroleum Corporation), being listed and registered on the American Stock Exchange, a national securities exchange; and

The Commission being of the opinion that the public interests requires the summary suspension of trading in such security on such Exchange and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion further that such suspension is necessary in order to prevent fraudulent, deceptive, or manipulative acts or practices, with the result that it will be unlawful under section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's Rule 15c2-2 thereunder for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of such security, otherwise than on a national securities exchange;

It is ordered, Pursuant to section 19(a)(4) of the Securities Exchange Act of 1934 that trading in said security on the American Stock Exchange be summarily suspended in order to prevent fraudu-

lent, deceptive or manipulative acts or practices, this order to be effective for a period of ten (10) days, August 10, 1960, to August 19, 1960, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60-7565; Filed, Aug. 12, 1960; 8:46 a.m.]

[File No. 1-507]

F. E. MYERS AND BRO. CO.

Notice of Application To Strike From Listing and Registration and of Opportunity for Hearing

AUGUST 9, 1960.

In the matter of F. E. Myers & Bro. Company, common stock, File No. 1-507.

Midwest Stock Exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-1(b) promulgated thereunder, to strike the specified security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following: "A liquidating dividend representing substantially all of the assets of the company has been paid and the issue is no longer considered suitable for the listed market."

Upon receipt of a request, on or before August 26, 1960 from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official files of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60-7566; Filed, Aug. 12, 1960; 8:46 a.m.]

[File No. 7-2076]

GENERAL MILLS, INC.

Notice of Application for Unlisted Trading Privileges and of Opportunity for Hearing

AUGUST 9, 1960.

In the matter of application of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in a certain security.

The above named national securities exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(f)(2) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the common stock of the following company, which security is listed and registered on one or more other national securities exchanges: General Mills, Inc., File No. 7-2076.

Upon receipt of a request, on or before August 26, 1960 from any interested person, the Commission will determine whether the application shall be set down for hearing. Any such request should state briefly the nature of the interest of the person making the request and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on the said application by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington 25, D.C., not later than the date specified. If no one requests a hearing, this application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60-7567; Filed, Aug. 12, 1960; 8:46 a.m.]

[File No. 812-1327]

OLIN MATHIESON SHIP FINANCING CORP.

Notice of Filing of Application for Order Exempting Company From All Provisions of the Act

AUGUST 8, 1960.

Notice is hereby given that Olin Mathieson Ship Financing Corporation ("Financing"), a Delaware corporation, has filed an application pursuant to section 6(c) of the Investment Company Act of 1940 ("Act") for an order exempting Financing from all the provisions of the Act.

The application states that Financing is a wholly-owned subsidiary of Olin Mathieson Shipping Corporation ("Shipping"), a Liberian corporation all of whose stock is owned by a Panamanian corporation, a wholly-owned subsidiary of Olin Mathieson Chemical Corporation ("Olin Mathieson"), a Virginia corporation engaged in manufacturing a wide range of products. Olin Mathieson has entered into an aluminum program whereby it will become an integrated producer and fabricator of aluminum and aluminum products. As part of this program, Olin Mathieson has participated in the formation of a Guinea corporation called Fria, Campagnie Internationale pour la Production de l'Alumine ("Fria") for the purpose of mining extensive bauxite deposits in Guinea. The bauxite will be refined into alumina for shipment to the founding shareholders of Fria, a group consisting of Olin Mathieson and French, Swiss and British aluminum companies.

It is stated further that in order to carry its share of the Fria alumina, Olin Mathieson has caused Shipping to enter into a construction contract with an Italian yard for the construction of a combination vessel ("Vessel"). Shipping will borrow the funds to pay for the construction of the Vessel from Financing, and will issue a demand note therefor. Financing will obtain the funds to be loaned to Shipping by the issuance of bonds to The Prudential Insurance Company of America in an aggregate principal amount not exceeding $9,500,000. The note issued by Shipping will be pledged by Financing with Bankers Trust Company as Trustee ("Trustee") under an Indenture with Financing. As additional security, all the issued and outstanding capital stock of Financing will be pledged by Shipping with the Trustee.

The application also states that Financing will serve only as a debt financing vehicle to facilitate the financing of Shipping's vessel. Financing will not trade in the Shipping notes and will not own or hold the securities of any other company. It will be organized in such a way that it receives only enough money to pay its operating expenses. It will not operate at a profit and will pay no dividends. Financing's sole asset, the Shipping note, will be pledged with the trustee and will be discharged by direct payments by Shipping to the trustee with such payments simultaneously discharging Financing's obligations under its notes. Financing will not deal with the Shipping note after the initial act of pledging them with the trustee. None of the outstanding securities of Financing will be held by the public.

Section 6(c) of the Act provides that the Commission, may conditionally or unconditionally, exempt any persons, securities or transactions, from any provision of the Act or of any rule thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Financing urges that it is not necessary or appropriate in the public interest or consistent with the protection of investors that Financing be subject to the provisions of the Act since it will be merely a debt financing vehicle for one aspect of Olin Mathieson's activities, its only asset will be the demand note of Shipping which it does not intend to sell or trade and it will not own or trade in any other securities or have any of its own securities outstanding in the hands of the public.

Notice is further given that any interested person may, not later than August 19, 1960, at 5:30 p.m., submit to the Commission in writing any facts bearing upon the desirability of a hearing on the matter and may request that a hearing be held, such request stating the nature

of his interest, the reasons for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date, application may be granted as provided in Rule 0–5 of the rules and regulations promulgated under the Act.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60–7569; Filed, Aug. 12, 1960; 8:46 a.m.]

[File No. 1–1233]

McCORD CORP.

Notice of Application To Strike From Listing and Registration and of Opportunity for Hearing

AUGUST 9, 1960.

In the matter of McCord Corporation, $2.50 Cumulative Preferred Stock, File No. 1–1233.

New York Stock Exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2–1(b) promulgated thereunder, to strike the specified security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following: "Only 8,700 shares remain in public hands, with only 165 holders of record."

Upon receipt of a request, on or before August 26, 1960, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official files of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60–7568; Filed, Aug. 12, 1960; 8:46 a.m.]

[File No. 70–3894]

SOUTHERN ELECTRIC GENERATING CO.

Notice of Filing of Application Regarding Proposed Issuance of Short-Term Notes to Banks

AUGUST 8, 1960.

Notice is hereby given that Southern Electric Generating Company ("SEGCO"), a direct public-utility subsidiary of Alabama Power Company ("Alabama") and Georgia Power Company ("Georgia"), exempt holding companies and public-utility subsidiary companies of The Southern Company, a registered holding company, has filed with this Commission an application, pursuant to the Public Utility Holding Company Act of 1935 ("Act"), regarding the issuance and sale of up to $28,000,000 face amount of short-term notes to banks. SEGCO has designated section 6(b) of the Act and Rule 50(a)(2) promulgated thereunder as applicable to the proposed transaction.

All interested persons are referred to the application on file at the office of the Commission for a statement of the transaction therein proposed, which is summarized as follows:

From time to time during the period from September 1, 1960, to July 1, 1961, SEGCO proposes to issue to the following named banks promissory notes up to the aggregate maximum amount indicated.

Banks	Percentages of each borrowing	Maximum amounts of notes to be issued
	Percent	
Bankers Trust Co., New York, N.Y.	8.0	$2,240,000
Birmingham Trust National Bank, Birmingham, Ala.	1.5	420,000
The Chase Manhattan Bank, New York, N.Y.	10.0	2,800,000
Chemical Bank New York Trust Co., New York, N.Y.	15.0	4,200,000
The Citizens & Southern National Bank, Atlanta, Ga.	5.5	1,540,000
The First National Bank of Atlanta, Atlanta, Ga.	5.5	1,540,000
The First National Bank of Birmingham, Birmingham, Ala.	2.5	700,000
The First National City Bank of New York, New York, N.Y.	20.0	5,600,000
The Fulton National Bank, Atlanta, Ga.	1.0	280,000
Irving Trust Co., New York, N.Y.	8.0	2,240,000
Morgan Guaranty Trust Co. of New York, New York, N.Y.	15.0	4,200,000
Trust Co. of Georgia, Atlanta, Ga.	4.0	1,120,000
United States Trust Co. of New York, New York, N.Y.	4.0	1,120,000
Total	100.0	28,000,000

The proposed notes will be unsecured, will mature in not more than twelve months from the date on which the first note is issued, and will bear interest at not in excess of the prime rate (presently 5 percent per annum) in effect at The First National City Bank of New York in New York City at each issue date. The notes may be prepaid in whole or in part, without penalty, upon twenty-four hours written notice.

It is stated in the application that the proceeds derived from the sale of the proposed notes will be used to continue the construction of the SEGCO No. 1 Steam Plant and that at or before maturity such notes will be paid in full from the proceeds of the public sale of debt securities of SEGCO and/or of the sale of additional common stock by SEGCO to Alabama and Georgia.

The application further states that no State commission, other than the Alabama Public Service Commission, and no Federal commission, other than this Commission, has jurisdiction over the proposed issue of notes; and that no commissions, fees, expenses, remunerations, other than legal fees estimated at $1,250 and miscellaneous expenses estimated at $500, are to be paid in connection with the proposed issue of notes. It is expected that an order issued by the Alabama commission expressly authorizing the proposed transaction will be filed by amendment.

Notice is further given that any interested person may not later than August 25, 1960, request in writing that a hearing be held in respect of the application stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by the application which he desires to controvert, or he may request that he be notified should the Commission order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date, the application, as filed or as it may be amended, may be granted, as provided in Rule 23 promulgated under the Act, or the Commission may grant exemption from its rules and regulations under the Act, as provided in Rules 20(a) and 100 thereof, or take such other action as it may deem appropriate.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60–7570; Filed, Aug. 12, 1960; 8:46 a.m.]

[File No. 1–3854]

TEMCO AIRCRAFT CORP.

Notice of Application To Strike From Listing and Registration and of Opportunity for Hearing

AUGUST 9, 1960.

In the matter of Temco Aircraft Corporation, Common Stock, File No. 1–3854.

Midwest Stock Exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2–1(b) promulgated

thereunder, to strike the specified security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following: "Stockholders of the Company have authorized the sale of all of the property and assets of the Company to Ling-Temco Electronics, Inc. and approved dissolution of the Company."

Upon receipt of a request, on or before August 26, 1960, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official files of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60-7571; Filed, Aug. 12, 1960; 8:47 a.m.]

[File No. 1-3854]

TEMCO AIRCRAFT CORP.

Notice of Application To Strike From Listing and Registration and of Opportunity for Hearing

AUGUST 9, 1960.

In the matter of Temco Aircraft Corp. Common Stock, File No. 1-3854.

New York Stock Exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-1(b) promulgated thereunder, to strike the specified security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following: "Stockholders of the Company have authorized the sale of all of the property and assets of the Company to Ling-Temco Electronics, Inc. and approved dissolution of the Company."

Upon receipt of a request, on or before August 26, 1960, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official files of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60-7572; Filed, Aug. 12, 1960; 8:47 a.m.]

DEPARTMENT OF LABOR

Wage and Hour Division

LEARNER EMPLOYMENT CERTIFICATES

Issuance to Various Industries

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended, 29 U.S.C. 201 et seq.), the regulations on employment of learners (29 CFR Part 522), and Administrative Order No. 524 (24 F.R. 9274) the firms listed in this notice have been issued special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the Act. The effective and expiration dates, occupations, wage rates, number or proportion of learners, learning periods, and the principal product manufactured by the employer for certificates issued under general learner regulations §§ 522.1 to 522.11 are as indicated below. Conditions provided in certificates issued under special industry regulations are as established in these regulations.

Apparel Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.20 to 522.24, as amended).

The following learner certificates were issued authorizing the employment of 10 percent of the total number of factory production workers for normal labor turnover purposes. The effective and expiration dates are indicated.

Alexandria Industrial Garment Manufacturing Co., Inc., Alexandria, Tenn.; effective 7-27-60 to 7-26-61 (work shirts).

Bay Shore Togs, Locust Street, Keyport, N.J.; effective 7-27-60 to 7-26-61 (men's and boys' robes; children's pants, overalls, crawlers and pajamas).

Benton Industries, Inc., Colley Street, Benton, Pa.; effective 7-30-60 to 7-29-61 (men's and boys' sport shirts).

Bestform Foundations of Pennsylvania, Inc., Baumer and Cherry Streets, Johnstown, Pa.; effective 8-3-60 to 8-2-61 (brassieres and girdles).

Carbon Hill Manufacturing Corp., Carbon Hill, Ala.; effective 7-28-60 to 7-27-61 (men's and boys' dress slacks).

Clayburne Manufacturing Co., Inc., Clayton, Ga.; effective 8-5-60 to 8-4-61 (men's sport shirts).

Delmeade Slacks, Inc., Gatlin Street, Okolana, Miss.; effective 7-21-60 to 7-20-61 (ladies' dress slacks).

Elder Manufacturing Co., Dexter, Mo.; effective 7-22-60 to 7-21-61 (men's and boys' shirts; boys' slacks).

Fox Knapp Manufacturing Co., Maple and Race Streets, Milton, Pa.; effective 7-27-60 to 7-26-61 (men's and boys' sportswear and outerwear).

Fox Knapp Manufacturing Co., Pine Grove, Pa.; effective 7-25-60 to 7-24-61 (men's and boys' mackinaws and jackets).

Fox Knapp Manufacturing Co., Laurel Street, Tremont, Pa.; effective 7-25-60 to 7-24-61 (men's and boys' mackinaws, etc.).

Glamorise Foundations, Inc., 228 Pine Street, Williamsport, Pa.; effective 7-29-60 to 7-28-61 (brassieres and girdles).

Hatley Sportswear, Inc., Hatley, Miss.; effective 8-12-60 to 8-11-61 (men's dress pants).

Helena Garment Co., Lepanto Division, Lepanto, Ark.; effective 7-23-60 to 7-22-61 (ladies' dresses).

Hortex Manufacturing Co., Inc., 100 South Cotton, El Paso, Tex.; effective 7-27-60 to 7-26-61 (boys' single pants).

Hunter-Sadler Co., Tupelo, Miss.; effective 7-29-60 to 7-28-61 (sport jackets).

Jane Sportswear Co., Mulberry Street, Lebanon, Ky.; effective 8-1-60 to 7-31-61. Learners may not be employed at special minimum wage rates in the production of separate skirts and lined jackets (ladies' slacks, shorts and unlined jackets).

Jeansco, Inc., 123 Pine Street, Petersburg, Va.; effective 7-29-60 to 7-28-61 (boys' and youths' western jeans).

Kennebec Manufacturing Co., Inc., Northern Avenue, Gardiner, Maine; effective 8-6-60 to 8-5-61 (boys' pants).

T. S. Lankford & Sons, 141 Walnut Street, Abilene, Tex.; effective 7-27-60 to 7-26-61 (Government utility trousers; work clothing).

Laurens Shirt Corp., Hillcrest Drive, Laurens, S.C.; effective 7-23-60 to 7-22-61 (men's dress and sport shirts).

Linden Manufacturing Co., Birdsboro, Pa.; effective 8-7-60 to 8-6-61 (blouses).

Linden Manufacturing Co., Newmanstown, Pa.; effective 8-7-60 to 8-6-61 (blouses).

Linden Manufacturing Co., 845 North Ninth Street, Reading, Pa.; effective 8-7-60 to 8-6-61 (blouses).

Linden Manufacturing Co., 24 High Street, Womelsdorf, Pa.; effective 8-7-60 to 8-6-61 (blouses).

McMinnville Garment Co., McMinnville, Tenn.; effective 7-24-60 to 7-23-61 (men's and boys' single pants).

Martin Shirt Corp., Cookeville, Tenn.; effective 7-25-60 to 7-24-61 (men's and boys' dress and sport shirts).

Metro Pants Co., Bridgewater, Va.; effective 7-26-60 to 7-25-61 (boys' and juniors' pants).

The Moyer Co., Commerce and Walnut Streets, Youngstown, Ohio; effective 7-19-60 to 7-18-61 (men's slacks).

Patrician Frock Co., 30 Susquehanna Street, Jim Thorpe, Pa.; effective 7-20-60 to 7-19-61 (children's dresses).

Plains Manufacturing Co., Inc., 61 Hudson Road, Plains, Pa.; effective 8-3-60 to 8-2-61 (brassieres).

Roberts Manufacturing Co., Inc., 304 South First Street, Ponca City, Okla.; effective 7-25-60 to 7-24-61 (boys', ladies', girls' and children's denim and twill jeans).

Royal Manufacturing Co., Inc., Washington, Ga.; effective 7-22-60 to 7-21-61. Workers engaged in the production of woven sport shirts (sport shirts).

Roydon Wear, Inc., Oak Street, McRae, Ga.; effective 8-8-60 to 8-7-61 (men's and boys' dress trousers and outerwear shorts).

Henry I. Siegel Co., Inc., Dickson, Tenn.; effective 8-1-60 to 7-31-61 (men's and boys' single pants).

Henry I. Siegel Co., Inc., Hohenwald, Tenn.; effective 8-3-60 to 8-2-61 (men's and boys' single pants).

Sorrento Sportswear, Inc., 356 West Broad Street, Hazleton, Pa.; effective 7-27-60 to 7-26-61 (ladies' blouses, cardigans, slacks, shorts and pedal pushers).

Standard Shirt Co., McClure, Snyder Co., Pa.; effective 7-27-60 to 7-26-61 (women's pajamas).

Stapleton Garment Co., Stapleton, Ga.; effective 8-20-60 to 8-19-61 (men's and boys' cotton pants).

Tic Tac Co., Inc., Dicey Creek Road, R.F.D. No. 2, Camden, S.C.; effective 7-22-60 to 7-21-61 (children's outerwear).

Weatherbee Coats, Inc., 461 East Federal Street, Youngstown, Ohio; effective 7-30-60 to 7-29-61 (ladies' rainwear).

Wood Garment Manufacturing Co., Inc., Republic, Mo.; effective 7-26-60 to 7-25-61 (men's dress slacks).

The following learner certificates were issued for normal labor turnover purposes. The effective and expiration dates and the number of learners authorized are indicated.

ABC Manufacturing Co., Inc., 331 Main Street, Lilly, Pa.; effective 8-1-60 to 7-31-61; 10 learners (children's nightwear).

Badger Outerwear Manufacturing Co., 209-211 Franklin Street, Port Washington, Wis.; effective 8-7-60 to 8-6-61; five learners (men's jackets).

Barnwell Garment Co., Barnwell, S.C.; effective 7-29-60 to 7-28-61; 10 learners (ladies' robes and dresses).

Clayton Garment Co., Clayton, Ala.; effective 7-26-60 to 2-9-61; 10 learners (ladies' coveralls and blouses; boys' shirts) (replacement certificate).

Covington Manufacturing Co., 1019 Washington Street, Covington, Ind.; effective 7-27-60 to 7-26-61; 10 learners (men's blouse jackets, car and goal coats; boys' goal coats).

Dowling Textile Manufacturing Co., 179-185 Griffin Street, McDonough, Ga.; effective 7-29-60 to 7-28-61; 10 learners (hospital apparel for doctors, nurses and patients).

Dunmore Sewing Co., 105 Corner Street, Dunmore, Pa.; effective 7-21-60 to 7-20-61; 10 learners (children's dresses).

Fairmont Manufacturing Co., Inc., Fairmont, N.C.; effective 7-26-60 to 7-25-61; 10 learners (ladies' nightwear).

Jay Dee Manufacturing Co., 2308 North Albany Avenue, Tampa 7, Fla.; effective 7-21-60 to 7-20-61; 10 learners (boys' slacks, calypsos; men's walking shorts, etc.).

H. D. Lee of Virginia, Inc., Broadway, Va.; effective 7-29-60 to 7-28-61; 10 learners (leisure and work pants).

Mayville Co., Inc., Hillsville, Va.; effective 7-20-60 to 7-19-61; 10 learners (women's uniforms).

Michele Frocks, 210 North Main Avenue, Scranton, Pa.; effective 7-20-60 to 7-19-61; 10 learners (ladies' cotton dresses).

Mount Carmel Blouse Corp., 51 West Spruce Street, Mount Carmel, Pa.; effective 7-30-60 to 7-29-61; 10 learners (ladies' blouses).

Mount Vernon Corp., Mount Vernon, Ga.; effective 8-1-60 to 7-31-61; 10 learners (ladies' cotton house dresses and dusters).

Panola Inc. of Batesville, Linker Street, Batesville, Miss.; effective 8-5-60 to 8-4-61; 10 learners (girdles).

Pierro Manufacturing Co., 402 Pecan Avenue, Sanford, Fla.; effective 8-1-60 to 7-31-61; 10 learners (men's, ladies' and children's pajamas).

Rosemont Corp., 601 Lincoln Road, Oxford, Pa.; effective 8-3-60 to 8-2-61; 10 learners (ladies' dresses).

Wardensville Manufacturing Co., Wardensville, W. Va.; effective 7-26-60 to 7-25-61; 10 learners (infants' wear).

Wendell Garment Co., Inc., 91 North Pine Street, Wendell, N.C.; effective 8-3-60 to 8-2-61; 10 learners (men's knit shirts; women's cotton blouses).

The following learner certificates were issued for plant expansion purposes. The effective and expiration dates and the number of learners authorized are indicated.

Cowden Manufacturing Co., Stanford, Ky.; effective 7-29-60 to 1-28-61; 30 learners (men's, boys', ladies' and girls' dungarees).

The Fordyce Apparel Co., Fordyce, Ark.; effective 8-8-60 to 2-7-61; 75 learners (men's and boys' single pants).

Gary Co., Inc., Gallatin, Tenn.; effective 7-29-60 to 1-28-61; 15 learners (men's dress shirts).

Heath Springs, Manufacturing Co., Inc., Heath Springs, S.C.; effective 8-1-60 to 1-31-61; 25 learners (children's jackets and crawlers).

H. D. Lee of Virginia, Inc., Broadway, Va.; effective 7-29-60 to 1-28-61; 75 learners (leisure and work pants).

Linda Sportswear Co., West Main Street, Lebanon, Ky.; effective 7-27-60 to 1-26-61; 10 learners (blouses).

The McKay Products Corp., St. Matthews, S.C.; effective 7-28-60 to 1-27-61; 25 learners (ladies' and misses' dresses, lingerie and sleepwear).

Martin Shirt Corp., Cookeville, Tenn.; effective 7-25-60 to 1-24-61; 25 learners (men's and boys' dress and sport shirts).

Mid-South Industries, Inc., Hackleburg, Ala.; effective 7-29-60 to 1-28-61; 10 learners (boys' sport shirts).

Ottenheimer Bros. Manufacturing Co., Inc., Shirt Division, 1000 Spring Street, Little Rock, Ark.; effective 8-1-60 to 1-31-61; 25 learners (women's, misses' and children's cotton blouses and jackets).

Glove Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.60 to 522.66, as amended).

Indianapolis Glove Co., Inc., Coshocton, Ohio; effective 8-3-60 to 8-2-61; 10 percent of the total number of machine stitchers for normal labor turnover purposes (Canton flannel work gloves).

Hosiery Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.40 to 522.44, as amended).

Melrose Hosiery Mills, Inc., 1541 English Street, High Point, N.C.; effective 8-1-60 to 7-31-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (seamless).

Parkdale Hosiery Mill, Catawba, N.C.; effective 7-20-60 to 7-19-61; five learners for normal labor turnover purposes (seamless).

Pittsburg Knitting Mills, Inc., 212 East First Street, South Pittsburg, Tenn.; effective 7-27-60 to 7-26-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (seamless; knitted infants' anklets).

Stanly Knitting Mills, Inc., Oakboro, N.C.; effective 8-6-60 to 8-5-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (full-fashioned; seamless).

Wadesboro Hosiery Co., Wadesboro, N.C.; effective 7-21-60 to 1-20-61; 60 learners for plant expansion purposes (seamless; full fashioned).

Knitted Wear Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.30 to 522.35, as amended).

Movie Star of Ellisville, Ellisville, Miss.; effective 7-30-60 to 7-29-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (ladies' slips).

Movie Star of Magnolia, Magnolia, Miss.; effective 7-27-60 to 7-26-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (ladies' gowns, pajamas, panties, etc.).

Royal Manufacturing Co., Inc., Washington, Ga.; effective 7-22-60 to 7-21-61; 5 percent of the total number of factory production workers engaged in the production of men's and boys' undershorts for normal labor turnover purposes (men's and boys' woven shorts).

Each learner certificate has been issued upon the representations of the employer which, among other things, were that employment of learners at subminimum rates is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in Part 528 of Title 29 of the Code of Federal Regulations. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within fifteen days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of 29 CFR 522.9.

Signed at Washington, D.C., this 5th day of August 1960.

ROBERT G. GRONEWALD,
Authorized Representative of the Administrator.

[F.R. Doc. 60-7563; Filed, Aug. 12, 1960; 8:46 a.m.]

CUMULATIVE CODIFICATION GUIDE—AUGUST

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published to date during August.